

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.



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)

**MAJOR TRANSACTION
IN RELATION TO THE ACQUISITION OF ASSETS
INVOLVING THE ISSUE OF
CONSIDERATION SHARES UNDER SPECIFIC MANDATE**

Financial Adviser to the Company



Diligent Capital Limited

THE ACQUISITION

The Board is pleased to announce that, on 27 September 2022 (after trading hours), the Company and the Vendor entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell, transfer and/or assign, and procure any other Vendor Group Member to sell, transfer and/or assign, to the Company, and the Company has conditionally agreed to acquire, such right, title, interest, benefit and claim as the Vendor Group may have in the Assets at the Consideration of US\$6,050,000 (equivalent to approximately HK\$47,190,000).

The Consideration shall be payable by the Company to the Vendor in the following manner:

- (a) cash consideration of US\$550,000 (equivalent to approximately HK\$4,290,000) on the Completion Date, to be offset in full by the Deposit; and

(b) the remaining US\$5,500,000 (equivalent to approximately HK\$42,900,000) shall be satisfied by the issue and allotment of 476,666,667 Consideration Shares at the Issue Price by the Company to the Vendor or its nominee(s) after the Completion Date and within seven (7) Business Days after completion of the Legal Compliance Period for the issue of the Consideration Shares.

The Consideration Shares will be allotted and issued pursuant to the Specific Mandate. An application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company and is therefore subject to reporting, announcement and shareholder's approval requirements under Chapter 19 of the GEM Listing Rules.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the relevant resolutions in relation to the Agreement and the transactions contemplated thereunder and the Specific Mandate for the allotment and issue of Consideration Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, no Shareholder has a material interest in the Agreement, the transactions contemplated thereunder and the Specific Mandate, thus no Shareholder will be required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among others, (i) further details of the Agreement and the transactions contemplated thereunder; (ii) details of the Specific Mandate; (iii) the valuation of the fair value of the Assets; (iv) a notice convening the EGM; and (v) other information as required under the GEM Listing Rules, will be despatched to the Shareholders on or before 19 October 2022 in accordance with the GEM Listing Rules.

Completion is subject to the fulfillment (or waiver) of the Conditions Precedent and therefore the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

Reference is made to the announcement of the Company dated 28 January 2022 in relation to the entering into of the MOU.

The Board is pleased to announce that, on 27 September 2022, the Company and the Vendor entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell, transfer and/or assign, and procure any other Vendor Group Member to sell, transfer and/or assign, to the Company, and the Company has conditionally agreed to acquire, such right, title, interest, benefit and claim as the Vendor Group may have in the Assets.

THE AGREEMENT

Principal terms of the Agreement are set out below.

Date : 27 September 2022

Parties : (i) the Company; and
(ii) the Vendor.

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

Assets to be acquired

Subject to the terms and conditions set forth in the Agreement, the Company has conditionally agreed to acquire, or procure a nominee to acquire, from the Vendor, and the Vendor has conditionally agreed to transfer, and procure any other Vendor Group Member to transfer (as the case may be), to the Company such right, title, interest, benefit and claim as the Vendor Group may have in the Assets on the Completion Date. Particulars of the Assets are set out in the section headed "INFORMATION ABOUT THE ASSETS" in this announcement.

In relation to the Scanners, the Vendor has conditionally agreed to provide the Company with tailor-made top-up enhancement and after-sale services (including but not limited to an extended warranty of two (2) years commencing on the Completion Date and programming services).

In consideration of the Company acquiring the Assets from the Vendor, the Vendor irrevocably grants the royalty-free bCode Licence to the Company for the use by the Group to manufacture, use, promote, sell, distribute or otherwise supply, the Licensed Products globally, and including the right to use the Software in relation to the Licensed Products (including in the object code form) and to develop, modify and maintain the Software.

The term of the bCode Licence shall commence on the Completion Date and remain in force for 20 years therefrom and, subject to compliance with applicable GEM Listing Rules requirements, is automatically renewable annually on the same terms and conditions (the "**bCode Licence Term**"), unless terminated earlier upon the effective assignment and transfer of all (but not some) of the Intellectual Property Rights from the Vendor and/or other members of the Vendor Group to the Company, whether through the exercise of the Call Option (as defined below) or otherwise.

Consideration

The Consideration is US\$6,050,000 (equivalent to approximately HK\$47,190,000), which shall be payable by the Company to the Vendor in the following manner:

- (a) cash consideration of US\$550,000 (equivalent to approximately HK\$4,290,000) on the Completion Date, to be offset in full by the Deposit; and
- (b) the remaining US\$5,500,000 (equivalent to approximately HK\$42,900,000), shall be satisfied by the issue and allotment of 476,666,667 Consideration Shares at the Issue Price by the Company to the Vendor or its nominee(s) on the Completion Date and within seven (7) Business Days after completion of the Legal Compliance Period for the issue of the Consideration Shares.

The Company and the Vendor agreed that the Deposit, which was agreed by each of them to be refundable in the MOU, shall cover the Company's earnest money and reimbursement of the Vendor's bona fide reasonable due diligence expenses, and hence shall become non-refundable upon execution of the Agreement, subject to the Vendor providing all relevant information and documents and any other assistance as required by the Company and to the Company's satisfaction during its due diligence review until Completion.

Basis for determination of the Consideration

The Consideration was determined after arm's length negotiations between the Company and the Vendor on normal commercial terms after taking into account, without limitation, (i) the preliminary valuation of the fair value of the Scanners of approximately US\$4,333,000 (equivalent to approximately HK\$33,797,400) as at 31 August 2022, which was prepared by an independent professional valuer (the "Valuer") based on the market approach; and (ii) the aggregate value of US\$2,225,000 (equivalent to approximately HK\$17,355,000) of an extended warranty with two years after-sales services and a tailor-made top-up enhancement services provided by the Vendor for the Scanners, which was fair and reasonable in the opinion of the Valuer after considering quotations of the same services with similar standards.

Taking into account the above, the Directors consider that the Consideration is fair and reasonable.

Consideration Shares

Assuming that there will be no other change in the total issued share capital of the Company (including but not limited to any conversion of the Convertible Bonds to Shares in accordance with their terms) between the date of this announcement and the Completion Date, the Consideration Shares representing (i) approximately 39.72% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 28.43% of the total issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares immediately after the Completion.

The Consideration Shares will be allotted and issued pursuant to the Specific Mandate. An application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

Pursuant to the Agreement, the Consideration Shares shall be Shares credited as fully paid, properly and validly allotted and issued, and rank pari passu in all respects with the existing Shares of the same class of the Company, free of encumbrances and with the right to receive all dividends and distributions which may be declared, made and paid.

Issue Price

The Issue Price of HK\$0.09 per Consideration Share represents:

- (i) a discount of approximately 18.18% to the closing price of HK\$0.11 per Share as quoted on the Stock Exchange on the date of the Agreement; and
- (ii) a discount of approximately 18.18% to the average closing price of approximately HK\$0.11 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Agreement.

The Issue Price was determined after arm's length negotiation between the Company and the Vendor with reference to, among others, the prevailing market prices of the Shares and the recent trading volume of the Shares. The Directors consider that the Issue Price is fair and reasonable.

Lock-up Period

The Vendor irrevocably agrees and undertakes to the Company that, during a period of 24 months commencing from the date on which the Consideration Shares are allotted to the Vendor or its nominee(s) (the "**Lock-up Period**"), except with the prior written consent from the Company, it will not, and shall procure that its nominees shall not, directly or indirectly:

- (a) offer for sale, transfer, contract to sell or otherwise dispose of (including without limited by the creation of any option, right, warrant to purchase or otherwise transfer or dispose of, or any lending, charges, pledges or encumbrances over, or by entering into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise)) any of the Consideration Shares (or any interest therein or any of the voting or other rights attaching thereto) in respect of which it will be the beneficial owner (directly or indirectly);
or
- (b) enter into any swap, derivative or other arrangement that transfers to another, in whole or in part, any of economic consequences of the acquisition or ownership of any such Consideration Shares (or any interests therein or any of the voting or other rights attaching thereto) or such securities.

Conditions Precedent

The Completion shall be conditional upon fulfilment or waiver of the following conditions precedent:

- (a) the directors and shareholders of the Vendor having passed resolutions for approving, inter alia, (i) the Acquisition, (ii) the execution of the Agreement and any other agreements in connection herewith, and (iii) the transactions contemplated hereunder and all matters incidental hereto;
- (b) the Board having passed resolutions for approving, inter alia, (i) the Acquisition, (ii) the execution of the Agreement and any other agreements in connection herewith, (iii) the allotment and issue of the Consideration Shares at the Issue Price, and (iv) the transactions contemplated hereunder and all matters incidental hereto;
- (c) the Shareholders having passed resolutions at the EGM for approving, inter alia, (i) the entering into of the Agreement and the transactions contemplated hereunder, and (ii) the granting of the Specific Mandate;
- (d) the GEM Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Consideration Shares and such listing and permission not subsequently revoked or withdrawn prior to Completion;
- (e) the Vendor having obtained all other requisite consents, authorisations and approvals (or, as the case may be, the relevant waiver(s)), and completed all necessary applications, notifications, registrations and filings (if applicable) in connection with the entering into and performance of the terms of the Agreement and the transactions contemplated hereunder;
- (f) the Vendor and the Company having entered into any other agreements and/or documents reasonably required by the Company in relation to the bCode Licence to enable the Group to legally and/or effectively use the bCode Licence and exercise the Call Option;
- (g) the Former Licence Agreement having been duly terminated by the Vendor and Transit Limited and there shall have been delivered to the Company a copy of the deed of termination signed by the Vendor and Transit Limited;
- (h) there being no material adverse change nor any other changes that may materially impair the value of any of the Assets;
- (i) the Vendor Group having not disposed of nor created or permitted to create any rights nor encumbrances over any Assets;
- (j) there being no proceedings or investigations commenced or threatened to be commenced which challenges the title and rights of the Vendor Group in the Assets or which, in the reasonable opinion of the Company, may otherwise have the effect of prohibiting or interfering with the Acquisition;

- (k) the Company having completed, and to its satisfaction with the results of, the due diligence review conducted on the Assets;
- (l) the Company having obtained, and to its satisfaction with, the final valuation report in relation to the Assets prepared by an independent valuer appointed by the Company, showing that the Scanners are valued at no less than US\$4,333,000;
- (m) the Company having obtained, and to its satisfaction with, legal advice issued by its designated law firm(s) on, inter alia, the title to the Assets and the registered Intellectual Property Rights, and the validity of the Intellectual Property Rights and the legal force of the transfer of the Assets;
- (n) the representations, warranties, undertakings and guarantees from the Vendor on all information in whatever medium provided to the Company and its authorised representatives as set out in the Agreement are true, accurate and complete in all respects, and not misleading in any respect;
- (o) the Vendor having entered into all relevant legal documents to effect the Acquisition and matters incidental thereto in accordance with the relevant legal advice and the results of due diligence review conducted by the Company;
- (p) there having been no material breach by the Vendor of its obligations under the Agreement and/or any documents incidental to the Acquisition, to which it is a party; and
- (q) the Company having obtained a written compliance confirmation issued by the Vendor confirming the satisfaction of all of the above Conditions Precedent (except (b) to (d) and (j) to (l)).

The acquisition of each of the Assets is interdependent and the Completion shall only occur when the Vendor transfers all of the Assets to the Company simultaneously.

The Company may waive in whole or in part any of the above Conditions Precedent (except (c), (d), (g) and (i)) by written notice to the Vendor. If any of the Conditions Precedent are not fulfilled (or waived by the Company, as the case may be) on the first Business Day after six months from the date of the Agreement (or such other date as may be agreed between the parties to the Agreement in writing), the Agreement (other than those clauses and provisions as set out in the Agreement and without prejudice to any other rights and remedies which any party to the Agreement may have in respect of any breach of the Agreement by any other party to the Agreement) shall automatically lapse and be of no further effect and none of the parties to the Agreement shall have any claim against the other under the Agreement, save for any claim arising from any antecedent breach of any obligation before the termination of the Agreement.

Completion

The Completion shall take place on or before the seventh (7th) day after all of the Conditions Precedent have been fulfilled or waived (as the case may be), or such other date as the Company and the Vendor may mutually agree in writing.

Upon Completion, the Vendor shall place the Company in effective possession and control of the Assets.

The Call Option

According to the terms of the Agreement, the Vendor irrevocably grants the Company an option to require the Vendor to assign and transfer all the Intellectual Property Rights in the bCode System at a consideration of US\$1 (the “**Call Option**”) (no premium is required to be paid by the Company for the grant of the Call Option), to be paid by the Company to the Vendor at the time of exercise of the Call Option. Subject to the applicable GEM Listing Rules, the Company shall have an unconditional right to exercise the Call Option during the bCode Licence Term at its sole and absolute discretion, and if the Company elects to exercise the Call Option, the Vendor shall have no right to refuse such assignment and transfer and shall execute a deed of assignment with the Company to effect such assignment and transfer as soon as practicable.

The Company will comply with the applicable GEM Listing Rules requirements when the Call Option is exercised and as and when necessary.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is an investment holding company which, together with its subsidiaries, is principally engaged in providing comprehensive payment processing services to merchants in Thailand.

INFORMATION ON THE VENDOR AND THE VENDOR GROUP

The Vendor is a company incorporated under the laws of the Isle of Man with limited liability. As at the date of this announcement and based on the information provided by the Vendor to the Company, the share capital of the Vendor consists of three classes of securities: Class A, Class 1B and Class 2B. Holders of Class A shares (“**Class A Shares**”) of the Vendor are entitled to two votes for each share held, while holders of each of Class 1B share (“**Class 1B Share**”) and Class 2B share (“**Class 2B Shares**”) of the Vendor are entitled to one vote for each share held, on all matters to be voted on by the Vendor’s shareholders. As at the date of this announcement, there are 177,360,000 Class A Shares in issue, 199,999,999 Class 2B Shares in issue and 1 Class 1B Share in issue.

As regards the distribution of the Class A Shares, approximately 67.66% (i.e., 120,000,000 Class A Shares) of the total issued Class A Shares are ultimately and beneficially held by Mr. David Kenneth Ehrlich; and the remaining approximately 32.34% of the total issued Class A Shares are held by nine shareholders with each of them holding less than 10%. As regards the distribution of the Class 2B Shares, approximately 29.50% (i.e., 59,000,000 Class 2B Shares) of the total issued Class 2B Shares are owned by Mr. Hamad Abdulla S H Al-Mana; approximately 8.35% (i.e., 16,699,999 Class 2B Shares) of the total issued Class 2B Shares are owned by Mr. David Kenneth Ehrlich; and the remaining approximately 62.15% of the total Class 2B Shares are held by six shareholders with each of them hold less than 20%.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Vendor, the Vendor Group Member and each of their ultimate beneficial owners are Independent Third Parties.

Based on the information provided by the Vendor, the Vendor is an investment holding company and the Vendor Group is engaged in the development, utilization, and application of, among others, mobile or wireless payment technology, including but not limited to bCode optical scanning system, which is a routing and execution infrastructure designed to simplify customer identification, token validation and redemption in retail merchant environments.

INFORMATION ABOUT THE ASSETS

The Assets comprise the Scanners and any firmware designed for use thereon used to support the bCode System and effect electronic payments by decoding bCode and other barcode formats.

The bCode System is a mobile scanning technology featuring the bCode as an identifier that can be sent to a mobile phone/device and used as a ticket/voucher/identification or other type of token. The bCode is also a simple SMS text message that can be read electronically from the screen of a mobile device and can be sent by text message. The application of the bCode has been initiated in the Philippines by the Vendor Group since early 2022.

Based on the information provided by the Vendor, the aggregate book value of the Assets as at 31 August 2022 is approximately US\$3,929,000 and no profit (both before and after taxation) has been generated by or attributable to the Assets for the two financial years ended 31 March 2021 and 2022.

As at the date of this announcement, the Assets are owned by the Vendor Group.

EFFECT ON THE SHAREHOLDING STRUCTURE

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

As at the date of this announcement, the Company has 1,200,000,000 Shares in issue. The table below sets out, for the purpose of illustration only, the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Completion (assuming that there will be no other change to the total issued share capital of the Company between the date of this announcement and the Completion Date and none of the Convertible Bonds have been converted into the Shares in accordance with its terms thereof); and (iii) immediately after the Completion and full conversion of the Convertible Bonds (assuming that there will be no other change to the total issued share capital of the Company between the date of this announcement and the Completion Date and upon the full conversion of the Convertible Bonds):

	(i) As at the date of this announcement		(ii) Immediately after the Completion without any conversion of the Convertible Bonds		(iii) Immediately after the Completion and full conversion of the Convertible Bonds	
	Number of Shares	Approximate shareholding percentage	Number of Shares	Approximate shareholding percentage	Number of Shares	Approximate shareholding percentage
Shareholders						
Gold Track Ventures Limited (“Gold Track”) (Note 1)	200,000,000	16.67%	200,000,000	11.93	200,000,000	11.39
Metagate Investment SPC (“Metagate”) (Note 2)	156,260,000	13.02%	156,260,000	9.32	156,260,000	8.90
Straum Investments Limited (“Straum Investments”) (Note 3)	138,000,000	11.50%	138,000,000	8.23	138,000,000	7.86
Sui Xiaochun (“Ms. Sui”) (Note 4)	66,860,000	5.57%	66,860,000	3.99	66,860,000	3.81
Original Fortune Group Limited (“Original Fortune”) (Note 5)	67,500,000	5.62%	67,500,000	4.03	67,500,000	3.84
Best Practice Limited (“Best Practice”) (Note 6)	41,000,000	3.42%	41,000,000	2.44	41,000,000	2.34
Holders of the Convertible Bonds (Note 7)	–	–	–	–	79,000,000	4.50
The Vendor	–	–	476,666,667	28.43	476,666,667	27.15
Other public Shareholders	530,380,000	44.20%	530,380,000	31.63	530,380,000	30.21
Total	1,200,000,000	100.00%	1,676,666,667	100%	1,755,666,667	100%

Notes:

1. As at the date of this announcement, these 200,000,000 Shares were held by Gold Track, which was in turn wholly owned by Mr. Tsang Chi Kit (“**Mr. Tsang**”), an existing executive Director and the managing director of the Group. Accordingly, Mr. Tsang was deemed to be interested in such 200,000,000 Shares held by Gold Track pursuant to Part XV of the SFO.
2. As at the date of this announcement, pursuant to the disclosure of interest notice filed by Metagate on 17 May 2022, these 156,260,000 Shares are held by Metagate, which is in turn wholly-owned by Rainbow Capital Limited (“**Rainbow**”). Accordingly, Rainbow is deemed to be interested in such 156,260,000 Shares held by Metagate pursuant to Part XV of the SFO.
3. As at the date of this announcement, these 138,000,000 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 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 Shares due to the interest of her spouse (i.e. Mr. Yu) pursuant to Part XV of the SFO.
4. As at the date of this announcement, pursuant to the disclosure of interest notice filed by Ms. Sui on 3 August 2022, these 66,860,000 Shares are held by her.
5. As at the date of this announcement, these 67,500,000 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 Shares held by Original Fortune pursuant to Part XV of the SFO.
6. As at the date of this announcement, pursuant to the disclosure of interest notice filed by Best Practice on 16 March 2022, all these 41,000,000 Shares have been pledged to Best Practice pursuant to the loan agreement dated 14 March 2022 entered into between an Independent Third Party as chargor and Best Practice as lender. As at the date of this announcement, Best Practice is wholly-owed by Mr. Shiu Shu Ming (“**Mr. Shiu**”) who is a non-executive Director. Accordingly, Mr. Shiu is deemed to be interested in such 41,000,000 Shares due to the security interest in those Shares acquired from such Independent Third Party pursuant to Part XV of the SFO.
7. These 79,000,000 Shares are inserted herein for illustration purposes 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 thus all the Convertible Bonds have been converted into the Shares in full.

REASONS AND BENEFITS OF ENTERING INTO THE AGREEMENT

As set out in the Company’s annual report for the year ended 31 March 2022, the ongoing COVID-19 epidemic had a significant adverse impact on the Group’s overall financial performance. It is anticipated that such impact will continue to exert tremendous pressure on the Group’s merchant acquiring business in Thailand. Therefore, in order to diversify the business risk faced by the Group, the Directors have been continuously looking for and identifying business opportunities with an objective to strengthen the Group’s position in the electronic payment industry and to further expand its market presence. To achieve this, the Directors have formulated strategies to (i) expand and diversify business offering; (ii) pursue market opportunities through sourcing point of sale (“**POS**”) payment terminals and peripheral devices and provision of system support services; and (iii) expand information technology workforce.

Based on the information provided by the Vendor, the Assets are capable of decoding various barcode formats, including the bCode format. By deploying the Assets, the Group will be capable to extend its service offerings by providing advanced app-based payment services and other services (including but not limited to electronic ticketing, coupons, payment and loyalty programs) to merchants which allows the merchants to easily and conveniently accept payments from e-wallets. The Directors consider that through the Acquisition and leveraging on its existing key resources, which include (i) stable business relationships; (ii) strong customer base; and (iii) enhanced technology capabilities, the Group is able to tap into broader markets with wider geographical coverage.

Particularly, the Directors believe that electronic payment in Asian developing countries is ready for wider application, and the Group perceives the various market opportunities. The Directors are therefore of the view that the Acquisition, which the Board has a clear understanding of the underlying prospect, risk and return, shall give the Group's confidence in its return. The Board also expects that the diversification of business offerings could further enhance the Group's financial performance and return to the Shareholders in the long run and shall have better utilization of its financial resources.

The Directors are of the view that the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company and is therefore subject to reporting, announcement and shareholder's approval requirements under Chapter 19 of the GEM Listing Rules.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the relevant resolutions in relation to the Agreement and the transactions contemplated thereunder and the Specific Mandate for the allotment and issue of Consideration Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, no Shareholder has a material interest in the Agreement, the transactions contemplated thereunder and the Specific Mandate, thus no Shareholder will be required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among others, (i) further details of the Agreement and the transactions contemplated thereunder; (ii) details of the Specific Mandate; (iii) the valuation of the fair value of the Assets; (iv) a notice convening the EGM; and (v) other information as required under the GEM Listing Rules, will be despatched to the Shareholders on or before 19 October 2022 in accordance with the GEM Listing Rules.

Completion is subject to the fulfillment (or waiver) of the Conditions Precedent and therefore the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition”	the acquisition by the Company of such right, title, interest, benefit and claim as the Vendor Group may have in the Assets in accordance with the terms of the Agreement
“Agreement”	the conditional asset acquisition agreement dated 27 September 2022 entered into between the Company and the Vendor in relation to the Acquisition
“Assets”	all rights, title, interest and benefits to or in the Scanners and any firmware designed for use thereon to decode bCode and other barcode formats and support the use of the bCode System
“bCode Licence”	the granting by the Vendor to the Company of a global, exclusive, irrevocable and royalty-free licence of the Intellectual Property Rights in the bCode System owned by the Vendor Group, including but not limited to all Intellectual Property Rights in the firmware, point-of-sales agent software, the “Mesh Node” coordination layer and the network installation software supporting the use of the bCode System
“bCode Licence Term”	a term of 20 years which shall commence on the Completion Date and remain in force therefrom and, subject to compliance with applicable GEM Listing Rules requirements, is automatically renewable annually on the same terms and conditions
“bCode System”	the bCode optical scanning system, which is a routing and execution infrastructure designed to simplify customer identification, token validation and redemption in retail merchant environments
“Board”	board of Directors
“Business Day(s)”	a day (other than Saturday, Sunday or a public holiday) on which banks located in Hong Kong are open for business
“Company”	Oriental Payment Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM (stock code: 8613)
“Completion”	completion of the Acquisition in accordance with the terms of the Agreement

“Completion Date”	the date on which the Completion occurs in accordance with the terms of the Agreement
“Condition(s) Precedent”	condition(s) precedent to Completion as set out in the Agreement
“connected person(s)”	has the meaning as ascribed to it under the GEM Listing Rules
“Consideration”	the aggregate consideration for the Acquisition
“Consideration Shares”	a total of 476,666,667 new Shares to be issued to the Vendor or its nominees as part of the Consideration pursuant to the terms and conditions of the Agreement
“Convertible Bonds”	the convertible bonds in the aggregate principal amount of HK\$11,850,000 issued by the Company on 26 June 2020
“Deposit”	the deposit in the amount of US\$550,000 which had already been paid by the Company to the Vendor on 25 February 2022 pursuant to the terms and conditions of the MOU
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting to be convened by the Company for its Shareholders to consider, and if thought fit, approve the terms of the Agreement and the transactions contemplated hereunder, and the granting of the Specific Mandate for the allotment and issue of the Consideration Shares
“Former Licence Agreement”	the intellectual property licence agreement dated 12 November 2021 entered into between the Vendor and Transit Limited in relation to the licensing of the Intellectual Property Rights developed and owned by the Vendor, which shall be terminated by the Completion Date
“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 dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Intellectual Property Rights”	patents (and its reissues, divisions, continuations, renewals, extensions and continuations-in-part), inventions, technology, utility models, supplementary protection certificates, rights in inventions, registered and unregistered design rights, copyrights, software, hardware, integrated circuit topography rights, mask works, database rights, trademarks, service marks, rights in trade names, business names, corporate names, goodwill, rights in domain names and URLs, trade dress, logos, get-up and other source identifiers, disclosures, improvements, discoveries, trade secrets, confidential information, knowhow, methods, processes, technical data, schematics, formulae, customer lists and other proprietary and non-public business information, rights to sue for passing off and in unfair competition, rights in opposition proceedings and all other similar proprietary rights which may subsist in any part of the world including, where such rights are obtained or enhanced by registration, any registration of such rights and applications and rights to apply for such registrations, legally or beneficially owned by the Vendor Group, which include but are not limited to the registered patents, trademarks and designs, copyright in the Software and any other intellectual property rights in the bCode System
“Independent Third Party(ies)”	person(s) or entity(ies) who is/are third party(ies) independent of and not connected with the Company and its connected persons
“Issue Price”	HK\$0.09 per Consideration Share
“Legal Compliance Period”	the period required for fulfilling all requirements relating to the allotment and issue of new Shares under the GEM Listing Rules and any other requirements set by the Stock Exchange from time to time which are applicable to the Acquisition
“Licensed Products”	any products falling within the scope of any of the claims of any of the Intellectual Property Rights in relation to the bCode System (including the Software)
“MOU”	the memorandum of understanding dated 28 January 2022 entered into between the Company and the Vendor setting out preliminary understanding in relation to the possible acquisition by the Company of the 100% equity interest in Transit Limited from the Vendor

“Scanners”	13,235 live-network optical scanners with model number bCode 435U and 1,161 live-network optical scanners with model number bCode 435E, all of which are directly owned by the Vendor as at the date of the Agreement and immediately prior to Completion and are used to decode bCode and other barcode formats and support the use of the bCode System
“SFO”	the Securities and Futures Ordinance
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Software”	the software, including but not limited to all Intellectual Property Rights in the firmware, point-of-sales agent software, the “Mesh Node” coordination layer and the network installation software supporting the use of the bCode System
“Specific Mandate”	the specific mandate proposed to be obtained from the Shareholders at the EGM to allow the Board to allot and issue the Consideration Shares at the Issue Price
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar(s), the lawful currency of the United States of America
“Vendor”	Mobile Technology Holdings Limited, a company incorporated in the Isle of Man with limited liability
“Vendor Group”	the Vendor and its subsidiaries
“Vendor Group Member”	the Vendor or any of the Vendor’s subsidiaries which owns or has any interest in any of the Assets
“%”	per cent

By Order of the Board
Oriental Payment Group Holdings Limited
Tsang Chi Kit
Executive Director

Hong Kong, 27 September 2022

As at the date of this announcement, the Board comprises Dr. Ng Kit Chong, Mr. Lin Xiaofeng and Mr. Tsang Chi Kit 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 website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its publication and on the website of the Company at www.ocg.com.hk.

For the purpose of illustration only and unless otherwise stated, conversion of US\$ into HK\$ in this announcement is based on the exchange rate of US\$1.00 to HK\$7.80. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.