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SUPPLEMENTAL AGREEMENT IN RELATION TO FURTHER EXTENSION OF LONG STOP DATE

Reference is made to the following announcements of the Company:

- (i) the announcement dated 28 March 2017 in relation to, among others, the Acquisition, the SM Placing and the Whitewash Waiver (“**Announcement**”);
- (ii) the announcements dated 8 April 2017 and 29 November 2017 in relation to, among others, the continuing connected transactions;
- (iii) the announcements dated 11 April 2017 and 21 December 2017 in relation to, among others, the formation of the Independent Board Committee and the appointment of Independent Financial Adviser;
- (iv) the announcement dated 4 August 2017 in relation to, among others, the appointment of an independent non-executive Director and the suspension of duties of an independent non-executive Director;
- (v) the announcements dated 26 April 2017, 31 May 2017, 30 June 2017, 31 August 2017, 22 September 2017, 10 October 2017, 24 October 2017, 31 October 2017 and 29 December 2017 in relation to the delay in despatch of the Circular (“**Delay in Despatch Announcements**”);
- (vi) the announcement dated 9 June 2017 in relation to the entering into of the Supplemental Agreement;

- (vii) the announcements dated 10 July 2017 and 31 October 2017 in relation to the extension of the long stop date of the Sale and Purchase Agreement (“**Long Stop Date Announcements**”);
- (viii) the announcements dated 28 July 2017 and 15 August 2017 in relation to the update on the status of, among others, the Acquisition, the SM Placing and the Whitewash Waiver; and
- (ix) the announcement dated 11 October 2017 in relation to the payment of additional earnest money in relation to the Sale and Purchase Agreement (“**Earnest Money Announcement**”).

Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement and the Long Stop Date Announcements.

Pursuant to the Sale and Purchase Agreement (as supplemented by the supplemental agreements dated 9 June 2017, 10 July 2017, 11 October 2017 and 31 October 2017 respectively), completion of the Acquisition is conditional upon the fulfillment of the conditions precedent to the Sale and Purchase Agreement on or before 31 December 2017 (the “**Long Stop Date**”). Since additional time is required for fulfillment of certain conditions precedent, on 29 December 2017, the Company, the Sellers and the Target Company entered into a supplemental agreement (“**Supplemental Agreement**”) agreeing to extend the Long Stop Date to 31 March 2018.

As stated in the Earnest Money Announcement and Long Stop Date Announcements, the Total Earnest Money shall be returned to the Company by the Target Group within five working days from the date of termination of the Acquisition by reason that any of the conditions precedent to the Sale and Purchase Agreement has not been fulfilled or waived on or before the Long Stop Date (i.e. 31 December 2017). Pursuant to the Supplemental Agreement, the Total Earnest Money shall be returned to the Company by the Target Group within four months from the date of termination of the Acquisition (“**Return Period**”) by reason that any of the conditions precedent to the Sale and Purchase Agreement has not been fulfilled or waived on or before the Long Stop Date (i.e. 31 March 2018). If the Total Earnest Money are not fully returned to the Company within the first calendar month of the Return Period, interest on the outstanding amount of the Total Earnest Money shall be payable by the Target Group to the Company.

Save and except for the extension of the Long Stop Date and the Return Period as stated above, all other terms and conditions of the Sale and Purchase Agreement (as supplemented by the supplemental agreements dated 9 June 2017, 10 July 2017, 11 October 2017 and 31 October 2017 respectively) shall remain unchanged and continue in full force and effect.

By Order of the Board
China Innovationpay Group Limited
Guan Guisen
Chairman

Hong Kong, 29 December 2017

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Guan Guisen, Mr. Cao Chunmeng and Mr. Yan Xiaotian; and four independent non-executive Directors, namely Dr. Fong Chi Wah, Mr. Wang Zhongmin (suspended), Mr. Gu Jiawang and Mr. Xu Yanqing.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omissions of which would make any statement in this announcement misleading.

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 Company Announcements” page of the GEM website for at least 7 days from the date of its posting and on the Company’s website at www.innovationpay.com.hk.