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JOINT ANNOUNCEMENT

(1) SUBSCRIPTION OF NEW OPG SHARES UNDER GENERAL MANDATE, (2) DISCLOSEABLE TRANSACTION IN RELATION TO THE DEEMED DISPOSAL OF SHAREHOLDING INTEREST IN OPG BY CSG AND (3) RESUMPTION OF TRADING

SUBSCRIPTION OF NEW OPG SHARES UNDER GENERAL MANDATE

The CSG Board and the OPG Board jointly announce that on 31 January 2022, OPG, an indirect non-wholly owned subsidiary of CSG held by it through Charm Act as to 32.5% as at the date of this joint announcement, entered into the Subscription Agreement with the Subscriber, pursuant to which OPG has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, the Subscription Shares, being a total of 200,000,000 new ordinary OPG Shares, representing 20% of the total issued share capital of OPG as at the date of this joint announcement, at a Subscription Price of HK\$0.078 per Subscription Share. The Subscription Shares will be allotted and issued by OPG to the Subscriber under the General Mandate.

As at the date of this joint announcement, OPG has 1,000,000,000 OPG Shares in issue. Assuming that there will be no other changes to the total issued share capital of OPG between the date of this joint announcement and the Completion Date, the Subscription Shares represent (i) 20% of the existing total issued share capital of OPG as at the date of this joint announcement; and (ii) approximately 16.67% of the total issued share capital of OPG as enlarged by the allotment and issue of the Subscription Shares immediately after the Completion.

Completion is conditional upon and subject to the fulfilment of the Conditions Precedent. If any of the Conditions Precedent is not fulfilled on or before the Long Stop Date, the Subscription Agreement will lapse and become null and void and the parties to the Subscription Agreement will be released from all obligations thereunder, save for the liabilities for any antecedent breaches thereof.

The gross proceeds from the Subscription amount to approximately HK\$15.6 million, while the net proceeds from the Subscription are estimated to be approximately HK\$15.4 million after deducting the estimated expenses for the Subscription. OPG intends to apply 30% of the net proceeds from the Subscription for any investment as identified by the Group from time to time; and the remaining 70% of the net proceeds from the Subscription for general working capital.

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

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

THE DEEMED DISPOSAL

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

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

Assuming that there will be no other changes to the total issued share capital of OPG between the date of this joint announcement and the Completion Date, immediately following the allotment and issue of 200,000,000 Subscription Shares by OPG to the Subscriber, the shareholding interest of CSG in OPG will be diluted from 32.5% to approximately 27.08%, representing a decrease of approximately 5.42% of the total issued share capital of OPG. Accordingly, such dilution of shareholding interest of CSG in OPG immediately after Completion is regarded as a deemed disposal by CSG of its shareholding interest in OPG pursuant to Rule 19.29 of the GEM Listing Rules.

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

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

GENERAL

As Completion is conditional upon fulfilment of the Conditions Precedent as set out in the paragraphs headed “Conditions Precedent” under the section headed “I. SUBSCRIPTION OF NEW OPG SHARES UNDER GENERAL MANDATE” below, the Subscription may or may not proceed. OPG Shareholders, CSG Shareholders and potential investors should exercise caution when dealing in the OPG Shares and/or the CSG Shares (as the case may be).

RESUMPTION OF TRADING

At the request of OPG and CSG, trading in each of the OPG Shares and the CSG Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 31 January 2022 pending the publication of this Joint Announcement. Applications have been made by OPG and CSG to the Stock Exchange for the resumption of trading in the OPG Shares and CSG Shares on the Stock Exchange both with effect from 9:00 a.m. on 4 February 2022.

I. SUBSCRIPTION OF NEW OPG SHARES UNDER GENERAL MANDATE

On 31 January 2022, OPG, an indirect non-wholly owned subsidiary of CSG held by it through Charm Act as to 32.5% as at the date of this joint announcement, entered into the Subscription Agreement with the Subscriber, pursuant to which OPG has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, the Subscription Shares, being a total of 200,000,000 new ordinary OPG Shares, representing 20% of the total issued share capital of OPG as at the date of this joint announcement, at the Subscription Price.

The Subscription Agreement

Principal terms and conditions of the Subscription Agreement are summarised as follows:

Date: 31 January 2022

Parties: (1) OPG; and
(2) the Subscriber

As at the date of this joint announcement, to the best of the OPG Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber is an Independent Third Party.

Subscription

Subject to the fulfilment of the Conditions Precedent and the terms and conditions of the Subscription Agreement, OPG agreed to allot and issue to the Subscriber, and the Subscriber agreed to subscribe for, the Subscription Shares, being a total of 200,000,000 new ordinary OPG Shares, representing 20% of the total issued share capital of OPG as at the date of this joint announcement, at the Subscription Price.

Number of Subscription Shares

As at the date of this joint announcement, OPG has a total of 1,000,000,000 OPG Shares in issue. Assuming that there will be no other changes to the total issued share capital of OPG between the date of this joint announcement and the Completion Date, the Subscription Shares represent (i) 20% of the existing total issued share capital of OPG as at the date of this joint announcement; and (ii) approximately 16.67% of the total issued share capital of OPG as enlarged by the allotment and issue of the Subscription Shares immediately after the Completion.

The aggregate nominal value of the Subscription Shares will be HK\$2,000,000.

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

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

Subscription Price

The Subscription Price of HK\$0.078 per Subscription Share represents:

- (i) a discount of approximately 19.6% to the closing price of HK\$0.097 per OPG Share as quoted on the Stock Exchange on 28 January 2022, being the last trading day immediately preceding the date of the Subscription Agreement; and
- (ii) a discount of approximately 16.84% to the average closing price of HK\$0.0938 per OPG Share as quoted on the Stock Exchange for the five trading days immediately preceding the date of the Subscription Agreement.

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

Taking into account the estimated expenses for the Subscription of approximately HK\$240,000, comprising fees, costs, charges and expenses of the Subscription, the net price of each Subscription Share amounts to approximately HK\$0.0768 per Subscription Share.

Conditions Precedent

Completion shall be subject to the fulfilment of the following conditions:

- (a) the GEM Listing Committee shall have granted (either unconditionally or subject only to conditions to which neither OPG nor the Subscriber shall reasonably object) the listing of, and permission to deal in, the Subscription Shares;
- (b) CSG shall have complied with all the requirements under the GEM Listing Rules in connection with the Deemed Disposal (including but not limited to the publication of the Joint Announcement) and the approval of the CSG Board for the Deemed Disposal shall have been obtained;
- (c) OPG and the Subscriber shall have complied with all the requirements under the GEM Listing Rules in connection with the Subscription and the approval of the OPG Board shall have been obtained; and
- (d) any other necessary approvals, consents and/or waivers by the relevant governmental or regulatory authorities or bodies or such other third parties as may be required by applicable laws, rules or regulations for the Subscription shall have been obtained.

If any of the Conditions Precedent is not fulfilled on or before the Long Stop Date, the Subscription Agreement will lapse and become null and void and the parties to the Subscription Agreement will be released from all obligations and liabilities thereunder, save for the liabilities for any antecedent breaches thereof. As at the date of this joint announcement, save and except for Condition Precedent (a) which has yet to be satisfied, all other aforesaid Conditions Precedent have been fulfilled.

Completion

Subject to the fulfilment of the Conditions Precedent, Completion shall take place on the Completion Date, at such place and at such time as OPG and the Subscriber may agree, and each party to the Subscription Agreement shall perform its obligations in relation to Completion as set out in the Subscription Agreement.

Without prejudice to any other remedies available to either OPG or the Subscriber, if the requirements set out in the Subscription Agreement are not complied with in any respect by either OPG or the Subscriber on the Completion Date, the non-defaulting party may:–

- (a) proceed to the Completion so far as practicable and in any case without prejudice to its rights under the Subscription Agreement; or
- (b) postpone the Completion to a date (being a Business Day) falling not more than 30 days after the date set for the Completion in accordance with the Subscription Agreement; or

- (c) rescind the Subscription Agreement without liability to the non-defaulting party whereupon and from such date the provisions of the Subscription Agreement (other than the confidentiality provision which shall remain in full force and effect) shall have no effect and no party to the Subscription Agreement shall have any liability under them (without prejudice to the rights of either party to the Subscription Agreement in respect of any antecedent breach of any provisions of the Subscription Agreement).

General Mandate to allot and issue the Subscription Shares

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

Reasons for the Subscription and intended use of proceeds by OPG

As disclosed in (i) the announcements jointly issued by OPG and CSG respectively dated 10 June 2020 and 26 June 2020 in relation to, among others, the CB Placing (the “**CB Announcement(s)**”); (ii) the annual report of OPG for the financial year ended 31 March 2021 (the “**OPG 2021 Annual Report**”); and (iii) the interim report of OPG for the six months ended 30 September 2021 (the “**OPG 2021 Interim Report**”), OPG has raised net proceeds of approximately HK\$11.5 million from the CB Placing, approximately HK\$6 million of which remain unutilised as at the date of this joint announcement and are intended to be utilised for the same intended purposes as previously disclosed therein, namely, exploring investment opportunities in online and offline payment related business in Asia Pacific.

On 28 January 2022, OPG (i) entered into a memorandum of understanding with Mobile Technology Holdings Limited for the proposed acquisition of 100% equity interests in Transit Limited, a company which is the exclusive license user of a registered trademark and patents protecting an alphanumeric code named “bCODE” that functions as a dynamic or static token and also manufactures, designs and deploys proprietary optical scanner(s) providing sub-second, offline detokenization of the bCODE token, as well as other identifiers; and (ii) entered into a memorandum of understanding with Ms. Jiang, Zhengyan and Mr. Tham Kar Wai Derrick (Tan Jiawei Derrick) for the proposed acquisition of 67% equity interests in Alldebit Pte. Ltd., a company which 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. For details of the aforesaid proposed acquisitions, please refer to the announcements of OPG both dated 28 January 2022.

As disclosed in the OPG 2021 Interim Report, the OPG Group continuously faced the risks of the uncertainties in the impact of Sino-US trade war and the outbreak of the coronavirus disease 2019 (“COVID-19”) pandemic for the six months ended 30 September 2021, which continuously affected Chinese tourists’ spending in Thailand, thereby resulting in a material adverse effect to the income of the OPG Group during the relevant period. It is uncertain for the time being as to when the international flights to Thailand would be completely resumed.

As further disclosed in the OPG 2021 Interim Report, the OPG Group recorded an unaudited net loss attributable to its owners of approximately HK\$17.4 million for the six months ended 30 September 2021 as compared to that of approximately HK\$11.5 million for the corresponding period in 2020. Meanwhile, the OPG Group recorded a decrease of approximately 20.14% of its bank balances and cash from approximately HK\$29.2 million as at 31 March 2021 to approximately HK\$23.3 million as at 30 September 2021.

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

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

The gross proceeds from the Subscription amount to approximately HK\$15.6 million, while the net proceeds from the Subscription are estimated to be approximately HK\$15.4 million after deducting the estimated expenses for the Subscription. OPG intends to apply 30% of the net proceeds from the Subscription for any investment as identified by the Group from time to time; and the remaining 70% of the net proceeds from the Subscription for general working capital.

Fund raising activities of OPG in the past 12 months

Save for the then proposed placing of a total of up to a maximum of 100,000,000 OPG Shares by SBI China Capital Financial Services Limited as placing agent pursuant to the placing agreement dated 9 July 2021 entered into between OPG and the above-named placing agent, which has already lapsed on 26 August 2021 (whereof particulars are set out in the joint announcements of OPG and CSG respectively dated 9 July 2021, 23 July 2021, 6 August 2021 and 26 August 2021), OPG has not conducted any fund raising activities in the past twelve months immediately prior to the date of this joint announcement.

Effect on the shareholding structure of OPG

As at the date of this joint announcement, none of 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 OPG Shares.

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

	(i) As at the date of this joint announcement		(ii) Upon full conversion of the Convertible Bonds		(iii) Immediately after Completion without any conversion of Convertible Bonds		(iii) Immediately after Completion and upon full conversion of the Convertible Bonds	
	<i>Shareholding</i>		<i>Approximate shareholding</i>		<i>Approximate shareholding</i>		<i>Approximate shareholding</i>	
	<i>Number of OPG Shares</i>	<i>percentage (Note 6)</i>	<i>Number of OPG Shares</i>	<i>percentage (Note 6)</i>	<i>Number of OPG Shares</i>	<i>percentage (Note 6)</i>	<i>Number of OPG Shares</i>	<i>percentage (Note 6)</i>
Shareholders								
Charm Act (Note 1)	325,000,000	32.50%	325,000,000	30.12 %	325,000,000	27.08%	325,000,000	25.41 %
Straum Investments Limited								
("Straum Investments") (Note 2)	138,000,000	13.80 %	138,000,000	12.79 %	138,000,000	11.50 %	138,000,000	10.79 %
Sui Xiaochun ("Ms. Sui") (Note 3)	89,040,000	8.90 %	89,040,000	8.25 %	89,040,000	7.42 %	89,040,000	6.96 %
Original Fortune Group Limited								
("Original Fortune") (Note 4)	67,500,000	6.75 %	67,500,000	6.26 %	67,500,000	5.63 %	67,500,000	5.28 %
Holders of Convertible Bonds								
(Note 5)	–	–	79,000,000	7.32 %	–	–	79,000,000	6.18 %
The Subscriber –	–	–	–	–	200,000,000	16.67 %	200,000,000	15.64 %
Other public OPG Shareholders	380,460,000	38.05 %	380,460,000	35.26 %	380,460,000	31.71 %	380,460,000	29.75 %
Total	<u>1,000,000,000</u>	<u>100%</u>	<u>1,079,000,000</u>	<u>100%</u>	<u>1,200,000,000</u>	<u>100%</u>	<u>1,279,000,000</u>	<u>100%</u>

Notes:

- As at the date of this joint announcement, these 325,000,000 OPG Shares are held by Charm Act which is in turn wholly-owned by CSG. Accordingly, CSG is deemed to be interested in such 325,000,000 OPG Shares held by Charm Act pursuant to part XV of the SFO.

2. As at the date of this joint announcement, these 138,000,000 OPG Shares are held by Straum Investments which is in turn wholly-owned by Mr. Yu Chun Fai (“**Mr. Yu**”). Accordingly, Mr. Yu is deemed to be interested in such 138,000,000 OPG Shares held by Straum Investments pursuant to Part XV of the SFO. On the other hand, Ms. Choi Hiu Wa is the wife of Mr. Yu and hence Ms. Choi Hiu Wa is deemed to be interested in such 138,000,000 OPG Shares due to the interest of her spouse (i.e. Mr. Yu) pursuant to Part XV of the SFO.
3. Pursuant to the disclosure of interest notice filed by Ms. Sui on 5 November 2021, these 89,040,000 OPG Shares are held by her.
4. As at the date of this joint announcement, these 67,500,000 OPG Shares are held by Original Fortune which is in turn wholly-owned by Mr. Sung Hak Keung, Andy (“**Mr. Sung**”). Accordingly, Mr. Sung is deemed to be interested in such 67,500,000 OPG Shares held by Original Fortune pursuant to Part XV of the SFO.
5. These 79,000,000 OPG Shares are inserted herein for illustration 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 OPG Shares in full.
6. Percentages may not add up to 100% due to rounding.

Information on the OPG Group

OPG is an investment holding company. The OPG Group is principally engaged in merchant acquiring business in Thailand.

Information on the Subscriber

The Subscriber is a Hong Kong resident and is a merchant.

II. THE DEEMED DISPOSAL

The Deemed Disposal

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

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

Assuming that there will be no other change to the total issued share capital of OPG between the date of this joint announcement and the Completion Date and none of the Convertible Bonds have been converted into OPG Shares, immediately following the allotment and issue of 200,000,000 Subscription Shares by OPG to the Subscriber as disclosed in the section headed “**I. SUBSCRIPTION OF NEW OPG SHARES UNDER GENERAL MANDATE**” above, the shareholding interest of CSG in OPG will be diluted from 32.5% to approximately 27.08%, representing a decrease of approximately 5.42% of the total issued share capital of OPG as a result of Completion. Accordingly, such dilution of shareholding interest of CSG in OPG immediately after Completion is regarded as a deemed disposal by CSG of its shareholding interest in OPG pursuant to Rule 19.29 of the GEM Listing Rules.

GEM Listing Rules Implications

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

Information on the CSG Group

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

Financial Information of the OPG Group

Set out below is the audited financial information of the OPG Group extracted from its audited consolidated financial statements for each of the two financial years ended 31 March 2020 and 31 March 2021, respectively, prepared in accordance with the applicable accounting standards:

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

Financial effects of the Deemed Disposal

The unaudited aggregate net asset value of the OPG Group as at 30 September 2021 amounted to approximately HK\$28,875,000.

Based on the unaudited consolidated financial statements of the OPG Group as at 30 September 2021, the CSG Group expects to record an unaudited loss of approximately HK\$21.0 million from the Deemed Disposal, being the difference between the net asset value attributable to 32.5% equity interests in the OPG Group as at 30 September 2021 and the net asset value attributable to 27.08% equity interests in the OPG Group as at 30 September 2021 subject to the Deemed Disposal, of which the assets and liabilities are retained at fair value. Such unaudited loss is mainly resulted from the realisation of expenses for the listing of OPG shares on GEM in 2018. Other than that, no significant gain or loss is expected to be resulted from the Deemed Disposal. In any event, the actual gain or loss as a result of the Deemed Disposal to be recorded by CSG is to be determined as at Completion and subject to audit.

The CSG Group will not receive any proceeds from the Deemed Disposal.

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

Reasons for and the benefits of the Deemed Disposal

As disclosed in the OPG 2021 Annual Report, the OPG Group recorded a decrease in revenue of approximately 84.63% from approximately HK\$80.5 million for the financial year ended 31 March 2020 to approximately HK\$12.4 million for the financial year ended 31 March 2021; and a loss attributable to its owners of approximately HK\$30.7 million for the financial year ended 31 March 2021 as compared to that of approximately HK\$5.6 million for the financial year ended 31 March 2020. Meanwhile, as at 31 March 2021, the OPG Group recorded a decrease in net assets from approximately HK\$75.8 million to HK\$47.4 million.

As further disclosed in the OPG 2021 Interim Report, the OPG Group recorded a decrease in revenue of approximately 72.02% from approximately HK\$7.6 million for the six months ended 30 September 2020 to approximately HK\$2.1 million for the six months ended 30 September 2021; and a loss attributable to its owners of approximately HK\$17.4 million for the six months ended 30 September 2021 as compared to that of approximately HK\$11.5 million for the six months ended 30 September 2020. Meanwhile, the OPG Group recorded an unaudited net assets of approximately HK\$28.9 million as at 30 September 2021, representing a decrease of approximately 39.14% as compared to that of approximately HK\$47.4 million as at 31 March 2021.

The foregoing decreases in the revenue, increases in the loss attributable to equity holders of OPG and decreases in net assets of OPG for the aforesaid relevant periods were primarily due to the continuous suspension of a majority of the international flights to Thailand resulting in a substantial drop of the Chinese tourists' spending in Thailand amid the outbreak of the COVID-19 pandemic, and hence a significant decrease in the transaction volume via UnionPay processed by the OPG Group for the year ended 31 March 2021 and subsequently for the six months ended 30 September 2021 as compared with that of the preceding corresponding period as disclosed in the OPG 2021 Annual Report and the OPG 2021 Interim Report, respectively. It is uncertain for the time being as to when the international flights to Thailand would be completely resumed and when the merchant acquiring market in Thailand would be completely recovered.

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

As disclosed in the section headed "Financial effects of the Deemed Disposal" above, an unaudited loss of approximately HK\$21.0 million is expected to be recorded by the CSG Group from the Deemed Disposal, which is largely attributable to the realisation of expenses for the listing of OPG Shares on GEM in 2018. The CSG Board considers that such loss would be in any event inevitable if the CSG Group endeavours to mitigate the loss arising from its investment in the merchant acquiring business which is considered to be in line with its strategy. As such, the CSG Directors consider that the effect of the deconsolidation of the OPG Group's accounts from the CSG Group is justified and hence the Deemed Disposal is fair and reasonable and in the interest of CSG and the CSG Shareholders as a whole.

III. GENERAL

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

As Completion is conditional upon fulfilment of the Conditions Precedent as set out in the paragraphs headed "Conditions Precedent" under the section headed "I. SUBSCRIPTION OF NEW OPG SHARES UNDER GENERAL MANDATE" in this joint announcement, the Subscription may or may not proceed. OPG Shareholders, CSG Shareholders and potential investors should exercise caution when dealing in the OPG Shares and/or the CSG Shares (as the case may be).

IV. RESUMPTION OF TRADING

At the request of OPG and CSG, trading in each of the OPG Shares and the CSG Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 31 January 2022 pending the publication of this Joint Announcement. Applications have been made by OPG and CSG to the Stock Exchange for the resumption of trading in the OPG Shares and CSG Shares on the Stock Exchange both with effect from 9:00 a.m. on 4 February 2022.

DEFINITIONS

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

“Business Day(s)”	any day(s) on which banks in Hong Kong are generally open for business (other than a Saturday, Sunday, public holiday or any day on which a tropical cyclone warning No.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
“BVI”	British Virgin Islands
“CB Placing”	the placing of Convertible Bonds pursuant to the placing agreement dated 10 June 2020 entered into between OPG and SBI China Capital Financial Services Limited as the placing agent, completion of which took place on 26 June 2020
“Charm Act”	Charm Act Group Limited (美雅集團有限公司), a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of CSG and a controlling shareholder of OPG as at the date of this joint announcement
“Completion”	completion of the Subscription in accordance with the Subscription Agreement
“Completion Date”	a date falling within five (5) Business Days following the date on which all the Conditions Precedent are fulfilled (or such other date as OPG and the Subscriber may mutually agree in writing)
“Condition(s) Precedent”	condition(s) precedent to Completion as set out in the Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules

“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Convertible Bonds”	the convertible bonds in the aggregate principal amount of HK\$11,850,000 issued by OPG on 26 June 2020
“CSG”	China Smartpay Group Holdings Limited (中國支付通集團控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM (stock code: 8325)
“CSG Board”	board of CSG Director(s)
“CSG Director(s)”	director(s) of CSG
“CSG Group”	CSG and its subsidiaries
“CSG Share(s)”	ordinary share(s) of nominal or par value of HK\$0.01 each in the share capital of CSG
“CSG Shareholder(s)”	holder(s) of the CSG Share(s)
“Deemed Disposal”	deemed disposal of the shareholding interest of CSG in OPG as a result of the dilution of shareholding interest of CSG in OPG upon the allotment and issue of the Subscription Shares by OPG, which constitutes a discloseable transaction for CSG under the GEM Listing Rules
“GEM”	GEM of the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the OPG Directors to allot, issue and otherwise deal with up to 200,000,000 OPG Shares, representing 20% of the total number of the issued OPG Shares as at the date of OPG AGM
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or entity(ies) who is/are third party(ies) independent of, and not connected with, OPG, CSG and any of their respective connected persons

“Joint Announcement”	this joint announcement dated 31 January 2022 published by CSG and OPG in relation to, among others, the Subscription and the Deemed Disposal
“Long Stop Date”	18 February 2022 (or such other date as OPG and the Subscriber may mutually agree in writing)
“OPG”	Oriental Payment Group Holdings Limited (東方支付集團控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM (with stock code: 8613)
“OPG AGM”	the annual general meeting held by OPG on 31 August 2021
“OPG Board”	board of OPG Director(s)
“OPG Director(s)”	director(s) of OPG
“OPG Group”	OPG and its subsidiaries
“OPG Share(s)”	ordinary share(s) of nominal or par value of HK\$0.01 each in the share capital of OPG
“OPG Shareholder(s)”	holder(s) of the OPG Share(s)
“PRC”	the People’s Republic of China, which shall, for the purpose of this joint announcement, exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as may be amended from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Tsang Chi Kit (曾志傑)
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 31 January 2022 entered into between OPG and the Subscriber in respect of the Subscription
“Subscription Price”	HK\$0.078 per Subscription Share, being the subscription price payable by the Subscriber for each Subscription Share to OPG for the Subscription

“Subscription Share(s)” 200,000,000 OPG Shares to be allotted and issued by OPG and subscribed by the Subscriber pursuant to the Subscription Agreement

“%” per cent.

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

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

Hong Kong, 31 January 2022

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

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

This joint announcement, for which the OPG Directors or the CSG Directors (as the case may be) collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to OPG or CSG (as the case may be). The OPG Directors and the CSG Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this joint announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this joint announcement misleading.

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