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Purity Investment Limited

(incorporated in the Cayman Islands with limited liability)



HUIFU PAYMENT LIMITED

汇付天下有限公司

(incorporated in the Cayman Islands with limited liability under the names of Huifu Limited and 汇付天下有限公司)

(Stock Code: 1806)

JOINT ANNOUNCEMENT

(1) PROPOSAL FOR THE DELISTING OF HUIFU PAYMENT LIMITED BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES ACT

(2) PROPOSED WITHDRAWAL OF LISTING

(3) IRREVOCABLE UNDERTAKINGS BY THE IU SHAREHOLDERS TO APPROVE THE PROPOSAL

AND

(4) RESUMPTION OF TRADING IN SHARES

Financial Adviser to the Offeror



INTRODUCTION

The Offeror and the Company jointly announce that on 22 December 2020, the Offeror requested the Board to put forward a proposal to the Scheme Shareholders for the delisting of the Company by way of a scheme of arrangement under Section 86 of the Companies Act. Upon completion of the Proposal, the Company will become a wholly-owned subsidiary of the Offeror and the listing of the Shares will be withdrawn from the Stock Exchange.

TERMS OF THE PROPOSAL

The Proposal will be implemented by way of the Scheme. The Scheme will provide that, if it becomes effective, the Scheme Shares will be cancelled in exchange for either:

- (a) the **Cash Alternative**: cash of HK\$3.50 for every Scheme Share; or
- (b) the **Share Alternative**: 2.709677 New Shares in the Offeror for every Scheme Share.

The Scheme Shareholders may elect the Cash Alternative or the Share Alternative as the form of Cancellation Consideration in respect of their entire holdings of Scheme Shares held as at the Effective Date (but not, for the avoidance of doubt, a combination of the two). Scheme Shareholders who do not make any election or whose elections are invalid will receive the Cash Alternative.

The Cancellation Consideration will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Consideration.

If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Consideration by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this Announcement, the Scheme Document or any other announcement or document to the Cancellation Consideration will be deemed to be a reference to the Cancellation Consideration as so reduced (and the price of the Option Offer shall be reduced accordingly). The Company has confirmed that it does not intend to announce, declare or pay any dividend, distribution or other return of capital before the Long Stop Date.

As at the Announcement Date, the Offeror has 300,000 shares in issue. The actual number of New Shares to be issued under the Share Alternative will be determined after the latest time for the election of the Cash Alternative or the Share Alternative. Assuming no Outstanding Share Options are exercised before the Record Date, if all the Scheme Shareholders elect the Share Alternative,

3,531,224,508 New Shares will be issued, representing approximately 99.99% of the enlarged issued share capital of the Offeror post all new Offeror Share issuance upon completion of the Proposal.

Upon the Scheme becoming effective, the Scheme Shares comprising all of the issued share capital of the Company will be cancelled, and the same number of new Shares as cancelled will be issued, credited as fully paid, to the Offeror.

The cash consideration of HK\$3.50 per Scheme Share under the Cash Alternative represents:

- a premium of approximately 26.81% over the closing price of HK\$2.76 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 41.76% over the average closing price of approximately HK\$2.47 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 47.04% over the average closing price of approximately HK\$2.38 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 55.38% over the average closing price of approximately HK\$2.25 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 44.86% over the average closing price of approximately HK\$2.42 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- a premium of approximately 45.74% over the average closing price of approximately HK\$2.40 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day;
- a premium of approximately 78.88% over the audited net asset value per Share attributable to the Shareholders in the Company of approximately RMB1.65 as at 31 December 2019, based on the total number of issued Shares as at 31 December 2019 and the exchange rate of HK\$1.00 to RMB0.8434 on the Announcement Date; and
- a premium of approximately 81.48% over the unaudited net asset value per Share attributable to the Shareholders in the Company of approximately RMB1.63 as at 30 June 2020, based on the total number of issued Shares as at 30 June 2020 and the exchange rate of HK\$1.00 to RMB0.8434 on the Announcement Date.

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of all the Conditions as described in the section headed “2. Terms of the Proposal – Conditions to the Proposal and the Scheme”. All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

If the Proposal is approved and implemented, under the Scheme, the issued share capital of the Company will, on the Effective Date of the Scheme, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the issued share capital of the Company will be increased to its former amount by the issuance to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company’s books of account as a result of the capital reduction will be applied in paying up in full the new Shares so issued, credited as fully paid, to the Offeror.

IRREVOCABLE UNDERTAKINGS

On 22 December 2020, the Offeror received an Irrevocable Undertaking from each of the IU Shareholders (comprising Trixen Enterprises Ltd., Keytone, Bain Capital PnR Cayman Limited, Eight Roads Investments, Pacven Walden Ventures and Bright Journey Investment Limited), pursuant to which each of the IU Shareholders has undertaken to, amongst other things, (i) exercise (or procure the exercise of) all voting rights attached to the Shares held or owned by it at the Court Meeting and the General Meeting in favour of all the resolutions to approve the Proposal and any matters in connection with the Proposal (where applicable) and (ii) for each of Trixen Enterprises Ltd., Keytone, Bain Capital PnR Cayman Limited, Eight Roads Investments and Pacven Walden Ventures, elect the Share Alternative only as the form of Cancellation Consideration for the cancellation of Shares held or owned by it and for Bright Journey Investment Limited, elect the Cash Alternative only as the form of Cancellation Consideration for the cancellation of Shares held or owned by it. The 828,738,505 Shares held by the IU Shareholders which are the subject of the Irrevocable Undertakings represents approximately 63.59% of the total issued share capital of the Company as at the Announcement Date.

Pursuant to the Irrevocable Undertakings and assuming (a) each of the Executive Directors, Trixen Enterprises Ltd., Keytone, Bain Capital PnR Cayman Limited, Eight Roads Investments and Pacven Walden Ventures elects the Share Alternative, (b) all the other Scheme Shareholders elect the Cash Alternative and (c) no Outstanding Share Options are exercised and no further Shares are issued before the Record Date, the Offeror will be owned by the Executive Directors and the IU Shareholders who have elected the Share Alternative as to 20.60% and 79.40%, respectively, upon completion of the Proposal.

The Irrevocable Undertakings, being binding irrevocable undertakings, will terminate and the above obligations of the IU Shareholders under the Irrevocable Undertakings will cease to be binding if the Scheme does not become effective, lapses or is withdrawn in accordance with its terms.

SHAREHOLDING STRUCTURE OF THE COMPANY AND SCHEME SHARES

As at the Announcement Date, the Company has 1,303,190,199 Shares in issue, all of which are Scheme Shares.

As at the Announcement Date, the Offeror does not hold any Shares. As the Offeror is not a Scheme Shareholder, the Offeror will not vote on the Scheme at the Court Meeting. The Offeror will undertake to the Grand Court that it will be bound by the Scheme, so as to ensure that it will be subject to the terms and conditions of the Scheme.

As at the Announcement Date, the Executive Directors hold directly or indirectly in aggregate 87,046,793 Shares (representing approximately 6.68% of the issued share capital of the Company). Such Shares will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective. The Executive Directors' votes at the Court Meeting will not be counted as votes of Disinterested Shareholders in determining whether the requirements under condition (1)(a) and (b) under the section headed "2. Terms of the Proposal – Conditions to the Proposal and the Scheme" (as required under Rule 2.10 of the Takeovers Code) are satisfied, and will only be counted as votes of Scheme Shareholders in determining whether the requirement in the first paragraph of condition (1) in the section headed "2. Terms of the Proposal – Conditions to the Proposal and the Scheme" (as required under Companies Act) is satisfied.

As at the Announcement Date, the Offeror Concert Parties hold in aggregate 142,505,000 Shares (representing approximately 10.94% of the issued share capital of the Company). Such Shares will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective. The Offeror Concert Parties' votes at the Court Meeting will not be counted as votes of Disinterested Shareholders in determining whether the requirements under condition (1)(a) and (b) under the section headed "2. Terms of the Proposal – Conditions to the Proposal and the Scheme" (as required under Rule 2.10 of the Takeovers Code) are satisfied, and will only be counted as votes of Scheme Shareholders in determining whether the requirement in the first paragraph of condition (1) in the section headed "2. Terms of the Proposal – Conditions to the Proposal and the Scheme" (as required under Companies Act) is satisfied.

OPTION OFFER

As at the Announcement Date, there are 209,229,386 Outstanding Share Options granted under the Share Option Scheme, of which 29,760,349 Share Options have an exercise price of US\$0.18, 70,768,445 Share Options have an exercise price of US\$0.5458, 85,794,827 Share Options have an exercise price of US\$0.7846 and 22,905,765 Share Options have an exercise price of HK\$7.50. As at the Announcement Date, all the Share Options under the Share Option Scheme (which is a pre-IPO share option scheme of the Company) have been granted. The Company will not grant any further Share Options under the Share Option Scheme.

The exercise of all the Outstanding Share Options in full would result in the issue of 209,229,386 new Shares (representing approximately 16.06% of the issued share capital of the Company as at the Announcement Date) and approximately 13.83% of the issued share capital of the Company as enlarged by the issue of such new Shares.

The Offeror will make (or procure to be made on its behalf) an appropriate offer to all the holders of the Outstanding Share Options, whether vested or unvested, in accordance with Rule 13 of the Takeovers Code. The Option Offer will be conditional upon the Scheme becoming effective. Under the Option Offer, the Offeror will offer holders of Outstanding Share Options the “see-through” price (being the Cash Alternative minus the relevant exercise price in the case of the Outstanding Share Options) for each Outstanding Share Option they hold for the cancellation of every Share Option in accordance with Rule 13 of the Takeovers Code. Where the exercise price of the relevant Share Option under the Option Offer exceeds HK\$3.50, the “see-through” price is zero and a cash offer of a nominal amount of HK\$0.01 for every 100 Share Options (or part thereof) will be made.

FINANCIAL RESOURCES

On the assumption that (a) the Executive Directors and the IU Shareholders who have undertaken to elect the Share Alternative elect the Share Alternative, (b) all other Scheme Shareholders elect the Cash Alternative, (c) (i) all outstanding Share Options with an exercise price of US\$0.18 as at the Record Date are exercised and all the Optionholders of such Share Options become Scheme Shareholders on or before the Record Date and elect the Cash Alternative, and (ii) no further Shares are issued before the Record Date, and (d) all the Optionholders of outstanding Share Options with an exercise price of US\$0.5458, US\$0.7846 and HK\$7.50 respectively as at the Record Date (other than the Executive Directors who have indicated that they will not exercise the Outstanding Share Options held by them during the offer period (as defined under the Takeovers Code)) will accept the Option Offer and receive the nominal amount of HK\$0.01 for every 100 Share Options (or part thereof), the amount of cash required for the Proposal would be approximately HK\$1,251,509,036.

As at the Announcement Date, the Offeror is financing the entire cash amount required for the Proposal and the Option Offer from the CMB Facility for the Certain Funds Period.

The CMB Facility is secured by the following security package:

- (1) On the first drawdown date of the CMB Facility, (i) a charge over shares in SPV-Z, SPV-M and SPV-J held by the Executive Directors, and (ii) a charge over the Offeror Shares held by SPV-Z, SPV-M and SPV-J.
- (2) Within 5 working days after settlement of the Cash Alternative in full, (i) joint and several guarantee from the Company, PnR Network Technology (Shanghai) Co., Ltd. (匯付網絡技術(上海)有限公司), China PnR Co., Ltd. (匯付天下有限公司), Shanghai Payment and

Remittance Data Service Co., Ltd. (上海匯付數據服務有限公司) and Furen Network Technology (Shanghai) Co., Ltd. (福仁網絡科技(上海)有限公司), and (ii) a charge over certain bank account(s) of one or more of the Company, Huifu (BVI) Limited, PnR Network Technology (Shanghai) Co., Ltd. (匯付網絡技術(上海)有限公司), China PnR Co., Ltd. (匯付天下有限公司), Shanghai Payment and Remittance Data Service Co., Ltd. (上海匯付數據服務有限公司), Shanghai Fuhui Network Technology Co., Ltd. (上海賦暉網絡技術有限公司) and/or Furen Network Technology (Shanghai) Co., Ltd. (福仁網絡科技(上海)有限公司).

- (3) Within 40 working days after the first drawdown date of the CMB Facility, (i) a charge over Shares held by the Offeror and (ii) account control agreements in respect of certain accounts opened by the Company, Shanghai Payment and Remittance Data Service Co., Ltd. (上海匯付數據服務有限公司), China PnR Co., Ltd. (匯付天下有限公司) and PnR Network Technology (Shanghai) Co., Ltd. (匯付網絡技術(上海)有限公司) with China Merchants Bank Co., Ltd., Shanghai Branch.
- (4) Within 90 working days after the first drawdown date of the CMB Facility, a charge over shares in PnR Network Technology (Shanghai) Co., Ltd.* (匯付網絡技術(上海)有限公司) held by the Company.

A copy of the CMB Facility will be available for inspection as a document on display at the time of despatch of the Scheme Document.

CICC, the financial adviser to the Offeror in connection with the Proposal, is satisfied that sufficient financial resources are available to the Offeror for satisfying its obligations in respect of the full implementation of the Proposal in accordance with their respective terms.

INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, which comprises the following non-executive Directors, Mr. LIU Jun, Mr. WANG Hengzhong and Mr. JIANG Hong who are not interested in the Proposal, has been established by the Board to make a recommendation: (a) to the Disinterested Shareholders as to whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and whether to vote in favour of the Scheme at the Court Meeting and the General Meeting; and (b) to the Optionholders as to whether the terms of the Option Offer are, or are not, fair and reasonable and whether to accept the Option Offer.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee comprises all non-executive Directors who have no direct or indirect interest in the Proposal and the Option Offer. As at the Announcement Date, each of Trixen Enterprises Ltd., Keytone and Bain Capital PnR Cayman Limited has given the Irrevocable Undertakings to exercise (or procure the exercise of) all voting rights attached to the Shares held or owned by it at the Court Meeting and the General Meeting in favour of all the resolutions to approve the Proposal and any matters in connection

with the Proposal (where applicable). Accordingly, Mr. CHYE Chia Chow (a non-executive Director and a director of Trixen Enterprises Ltd.), Mr. ZHOU Joe (a non-executive Director and the managing partner of Keytone) and Ms. WANG Lihong (a non-executive Director nominated by Bain Capital PnR Cayman Limited) are excluded from the Independent Board Committee.

FINANCIAL ADVISER TO THE OFFEROR AND THE INDEPENDENT FINANCIAL ADVISER

The Offeror has appointed CICC as its financial adviser in connection with the Proposal.

The Company will appoint the Independent Financial Adviser (with the approval of the Independent Board Committee) to advise the Independent Board Committee in connection with the Proposal, the Scheme and the Option Offer after the Announcement Date. A further announcement will be made after the Independent Financial Adviser has been appointed.

DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, amongst others, further details of the Proposal, the Scheme, the Option Offer, the expected timetable, an explanatory statement as required under the Companies Act and the rules of the Grand Court, information regarding the Company, recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the Option Offer, the letter of advice from the Independent Financial Adviser, a notice of the Court Meeting, a notice of the General Meeting and other particulars required by the Takeovers Code, together with forms of proxy in relation thereto, will be despatched to the Shareholders and Optionholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Companies Act, the Grand Court and other applicable laws and regulations.

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, the Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect from the Effective Date.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1(a) of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is

subsequently acting in concert with it) may within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses announce an offer or possible offer for the Company, except with the consent of the Executive.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 18 December 2020 pending issuance of this Announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on the Stock Exchange with effect from 9:00 a.m. on 23 December 2020.

WARNING

Shareholders and potential investors should be aware that the implementation of the Proposal, the Scheme and the Option Offer are subject to conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, the Scheme may or may not become effective and the Option Offer may or may not be implemented. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

This Announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law or regulation. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any acceptance, rejection or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas shareholders will be contained in the Scheme Document.

NOTICE TO US INVESTORS

This Announcement does not constitute an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in the United States. This Announcement does not constitute a prospectus or a prospectus equivalent document. US holders of Scheme Shares and Share Options are advised to read carefully the formal documentation in relation to the Proposal once it has been despatched.

In particular, this Announcement is not an offer of securities for sale nor a solicitation of an offer to buy securities in the United States. The New Shares which will be issued in connection with the Proposal have not been, and will not be, registered under the Securities Act or under the securities law of any state, district or other jurisdiction of the United States, or any other jurisdiction, and no regulatory approval or clearance in respect of the New Shares has been, or will be, applied for in any jurisdiction other than Hong Kong. The New Shares may not be offered or sold in the United States absent registration under the Securities Act or an exemption from registration. It is expected that the New Shares will be issued in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof. Neither the Company nor the Offeror intends to make any public offering of securities in the United States.

The Proposal relates to the shares of the Offeror and the Company, which are incorporated in the Cayman Islands with limited liability. The Proposal will be effected under a scheme of arrangement provided for under the Companies Act. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable to Cayman schemes of arrangement, which differ from the disclosure and other requirements of the U.S. securities laws. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in Hong Kong that may not be comparable to the financial statements of US companies.

Shareholders and beneficial owners of the Shares should consult their professional advisers if they are in any doubt as to the potential applicability of, or consequence under, any provision of law or regulation or judicial or regulatory decisions or interpretations in any jurisdictions, territory or locality therein or thereof and, in particular, whether there will be any restriction or prohibition on the acquisition, retention, disposal or otherwise with respect to the Shares or the New Shares, as the case may be. It is emphasised that none of the Company, the Offeror, any of their respective directors or officers, employees, agents, affiliates or advisers and any other person involved in the Scheme accept any responsibility in relation to the above.

1. INTRODUCTION

On 22 December 2020, the Offeror requested the Board to put forward a proposal to the Scheme Shareholders for the delisting of the Company by way of a scheme of arrangement under Section 86 of the Companies Act. Upon completion of the Proposal, the Company will become a wholly-owned subsidiary of the Offeror and the listing of the Shares will be withdrawn from the Stock Exchange.

If the Proposal is approved and implemented, under the Scheme, the issued share capital of the Company will, on the Effective Date of the Scheme, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the issued share capital of the Company will be increased to its former amount by the issuance to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full the new Shares so issued, credited as fully paid, to the Offeror.

2. TERMS OF THE PROPOSAL

Cancellation Consideration

The Proposal will be implemented by way of the Scheme. The Scheme will provide that, if it becomes effective, the Scheme Shares will be cancelled in exchange for either:

(a) the **Cash Alternative**: cash of HK\$3.50 for every Scheme Share; or

(b) the **Share Alternative**: 2.709677 New Shares in the Offeror for every Scheme Share.

The Scheme Shareholders may elect the Cash Alternative or the Share Alternative as the form of Cancellation Consideration in respect of their entire holdings of Scheme Shares held as at the Effective Date (but not, for the avoidance of doubt, a combination of the two¹). Scheme Shareholders who do not make any election or whose elections are invalid will receive the Cash Alternative.

The Cancellation Consideration will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Consideration.

If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Consideration by all or any part of the amount or value of such

¹ *The Offeror will take reasonable steps to put in place measures so that a Scheme Shareholder is only able to elect for one form of Cancellation Consideration, which will be further detailed in the Scheme Document.*

dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this Announcement, the Scheme Document or any other announcement or document to the Cancellation Consideration will be deemed to be a reference to the Cancellation Consideration as so reduced (and the price of the Option Offer shall be reduced accordingly). The Company has confirmed that it does not intend to announce, declare or pay any dividend, distribution or other return of capital before the Long Stop Date.

As at the Announcement Date, the Offeror has 300,000 shares in issue. The actual number of New Shares to be issued under the Share Alternative will be determined after the latest time for the election of the Cash Alternative or the Share Alternative. Assuming no Outstanding Share Options are exercised before the Record Date, if all the Scheme Shareholders elect the Share Alternative, 3,531,224,508 New Shares will be issued, representing approximately 99.99% of the enlarged issued share capital of the Offeror post all new Offeror Share issuance upon completion of the Proposal.

No fractions of a cent will be payable and the amount of cash consideration payable to the Scheme Shareholders who have elected the Cash Alternative or the Optionholders who have accepted the Option Offer will be rounded up to the nearest cent. Fractions of New Shares to be issued to the Scheme Shareholders who have elected the Share Alternative will be rounded down to the nearest whole number.

Save as disclosed in the section headed “4. Shareholding Structure of the Company”, none of the Offeror, the Executive Directors and the Offeror Concert Parties holds any Shares.

Save as disclosed below and save for the dealings in the Shares by CICC which are conducted on a non-discretionary basis for and on behalf of its clients, none of the Offeror, the Executive Directors and the Offeror Concert Parties has dealt in the Shares in the six months immediately preceding the Announcement Date:

- (1) On 17 June 2020, 27,490,800 Shares corresponding to restricted share units under the Share Award Scheme have been granted to and vested in Mr. Zhou. Mr. Zhou paid a nominal price (RMB1) to accept the awards of restricted share units in accordance with the terms of the Share Award Scheme. Such Shares are held in trust by Zedra Trust Company (Cayman) Limited for him;
- (2) On 17 June 2020, 14,019,635 Shares corresponding to restricted share units under the Share Award Scheme have been granted to and vested in Ms. Mu. Ms. Mu paid a nominal price (RMB1) to accept the awards of restricted share units in accordance with the terms of the Share Award Scheme. Such Shares are held in trust by Zedra Trust Company (Cayman) Limited for her; and

- (3) On 17 June 2020, 8,307,554 Shares corresponding to restricted share units under the Share Award Scheme have been granted to and vested in Mr. Jin. Mr. Jin paid a nominal price (RMB1) to accept the awards of restricted share units in accordance with the terms of the Share Award Scheme. Such Shares are held in trust by Zedra Trust Company (Cayman) Limited for him.

The Cash Alternative

The cash consideration of HK\$3.50 per Scheme Share under the Cash Alternative represents:

- a premium of approximately 26.81% over the closing price of HK\$2.76 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 41.76% over the average closing price of approximately HK\$2.47 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 47.04% over the average closing price of approximately HK\$2.38 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 55.38% over the average closing price of approximately HK\$2.25 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 44.86% over the average closing price of approximately HK\$2.42 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- a premium of approximately 45.74% over the average closing price of approximately HK\$2.40 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day;
- a premium of approximately 78.88% over the audited net asset value per Share attributable to the Shareholders in the Company of approximately RMB1.65 as at 31 December 2019, based on the total number of issued Shares as at 31 December 2019 and the exchange rate of HK\$1.00 to RMB0.8434 on the Announcement Date; and
- a premium of approximately 81.48% over the unaudited net asset value per Share attributable to the Shareholders in the Company of approximately RMB1.63 as at 30 June 2020, based on the total number of issued Shares as at 30 June 2020 and the exchange rate of HK\$1.00 to RMB0.8434 on the Announcement Date.

The Cancellation Consideration has been determined on a commercial basis after taking into account, among others, the prices of the Shares traded on the Stock Exchange, the trading multiples of comparable companies listed on the Stock Exchange and with reference to other delisting transactions in Hong Kong in recent years.

The Share Alternative

The Offeror Shares are shares of an unlisted company in the Cayman Islands and an investment holding company. The Offeror is an exempted company incorporated in the Cayman Islands with limited liability with effect from 17 November 2020, whose registered office is at Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands. As at the Announcement Date, the entire issued share capital of the Offeror, comprising 300,000 Offeror Shares, is beneficially held as to approximately 70.7030%, 24.6620% and 4.6350% by Mr. Zhou, Ms. Mu and Mr. Jin through SPV-Z, SPV-M and SPV-J, respectively. As at the Announcement Date, the directors of the Offeror are the Executive Directors, who are also directors of the Company.

The actual number of New Shares to be issued under the Share Alternative will be determined after the latest time for the election of the Cash Alternative or the Share Alternative. Fractions of New Shares to be issued to the Scheme Shareholders who have elected the Share Alternative will be rounded down to the nearest whole number.

The Executive Directors have indicated that they will elect the Share Alternative as the form of Cancellation Consideration for the cancellation of Shares held or owned by them.

Following the Effective Date, the Company will be a wholly-owned subsidiary of the Offeror, and the value of the Offeror Shares will primarily be determined by the value of the Company. The Company had a net asset value of approximately RMB2,063,376,000 (being approximately RMB1.65 per Share based on the total number of issued Shares as at 31 December 2019) attributable to Shareholders as at 31 December 2019 as disclosed in the audited consolidated financial results of the Group for the year ended 31 December 2019. The value of the Offeror Shares will also be affected by the external debt financing to be incurred by the Offeror (including the CMB Facility). Details of the estimates of value of the Offeror Shares will be set out in the Scheme Document.

The Offeror has entered into the CMB Facility. Pursuant to the CMB Facility, China Merchants Bank Co., Ltd., Shanghai Branch has agreed to provide to the Offeror a secured loan facility of up to HK\$1,300,000,000 (or equivalent in Renminbi) with a maturity period of 60 months. The loan facility will be advanced in two tranches: Tranche A of up to HK\$650,000,000 (or equivalent in Renminbi) has a maturity period of 12 months; and Tranche B of up to HK\$650,000,000 (or equivalent in Renminbi) has a maturity period of 60 months. The ratio of amount drawn on Tranche A to Tranche B shall be 1:1 unless the total amount drawn exceeds HK\$1,600,000,000 (or equivalent in Renminbi). Depending on the currency drawn on the CMB Facility, the loan amount carries interest of 90 and 170 basis points over the five-year Renminbi

Loan Prime Rate (LPR) for Tranche A and Tranche B respectively, or 200 and 290 basis points over the three-month HK\$ Hong Kong Interbank Offered Rate (HIBOR) for Tranche A and Tranche B respectively, (or, if higher, 50 and 100 basis points over CMB's cost of funds for Tranche A and Tranche B respectively). Penal interest is charged within the range of 50-100% on the original interest rate, depending on the nature of the non-compliance. The Offeror is also required to pay an upfront fee of 0.5% of the amount drawn after each drawdown. The CMB Facility is subject to representations, warranties and covenants which are customary to such type of loan facility. Following delisting of the Company, customary events of default such as change of control of the Offeror could trigger acceleration of payment.

The CMB Facility is secured by the following security package:

- (1) On the first drawdown date of the CMB Facility, (i) a charge over shares in SPV-Z, SPV-M and SPV-J held by the Executive Directors, and (ii) a charge over the Offeror Shares held by SPV-Z, SPV-M and SPV-J.
- (2) Within 5 working days after settlement of the Cash Alternative in full, (i) joint and several guarantee from the Company, PnR Network Technology (Shanghai) Co., Ltd. (匯付網絡技術(上海)有限公司), China PnR Co., Ltd. (匯付天下有限公司), Shanghai Payment and Remittance Data Service Co., Ltd. (上海匯付數據服務有限公司) and Furen Network Technology (Shanghai) Co., Ltd. (福仁網絡科技(上海)有限公司), and (ii) a charge over certain bank account(s) of one or more of the Company, Huifu (BVI) Limited, PnR Network Technology (Shanghai) Co., Ltd. (匯付網絡技術(上海)有限公司), China PnR Co., Ltd. (匯付天下有限公司), Shanghai Payment and Remittance Data Service Co., Ltd. (上海匯付數據服務有限公司), Shanghai Fuhui Network Technology Co., Ltd. (上海賦暉網絡技術有限公司) and/or Furen Network Technology (Shanghai) Co., Ltd. (福仁網絡科技(上海)有限公司).
- (3) Within 40 working days after the first drawdown date of the CMB Facility, (i) a charge over Shares held by the Offeror and (ii) account control agreements in respect of certain accounts opened by the Company, Shanghai Payment and Remittance Data Service Co., Ltd. (上海匯付數據服務有限公司), China PnR Co., Ltd. (匯付天下有限公司) and PnR Network Technology (Shanghai) Co., Ltd. (匯付網絡技術(上海)有限公司) with China Merchants Bank Co., Ltd., Shanghai Branch.
- (4) Within 90 working days after the first drawdown date of the CMB Facility, a charge over shares in PnR Network Technology (Shanghai) Co., Ltd.* (匯付網絡技術(上海)有限公司) held by the Company.

A copy of the CMB Facility will be available for inspection as a document on display at the time of despatch of the Scheme Document.

The New Shares to be issued pursuant to the Proposal will be issued free from all encumbrances, credited as fully paid up and will rank pari passu with the existing Offeror Shares at the date of issue.

Shareholders of the Offeror are entitled to receive notice of general meetings of the Offeror and shall have the right to one vote per each Offeror Share at such meetings. There is no dividend policy and no guarantee that any dividends will be paid nor is there any dividend payment schedule in respect of the Offeror Shares. Payment of dividends (if any) is dependent solely on whether such payment is recommended or declared by the board of the Offeror.

Shareholders of the Offeror would have their rights and obligations in relation to the Offeror governed by the provisions of the Companies Act (as amended from time to time) and other applicable laws in the Cayman Islands. The Offeror shall, on receipt of an instrument of transfer, enter the name of the transferee of the Offeror Shares in the register of shareholders in accordance with and subject to the provisions of its articles of association.

After completion of the Proposal, the board of the Offeror will consist of no less than six and no more than nine directors, of which three will be executive directors and three will be independent non-executive directors. The three executive directors, three independent non-executive directors and the chairman of board of the Offeror are to be nominated by the Executive Directors as long as they and/or body corporate(s) controlled by them respectively are shareholders of the Offeror. A director of the Offeror may be removed by ordinary resolution, provided that any such ordinary resolution of a duly constituted general meeting of the Offeror must be passed by a simple majority of the votes cast by, or on behalf of, the shareholders of the Offeror entitled to vote in favour of the resolution (which must include the votes cast in favour by the Executive Directors as long as they and/or body corporate(s) controlled by them respectively are shareholders of the Offeror). The corporate governance structure of the Offeror after completion of the Proposal will in principle follow that of the Company, subject to the provisions of the articles of association of the Offeror.

After completion of the Proposal, the directors of the Offeror may call a general meeting at any time. The directors of the Offeror must also call a general meeting if a requisition in writing is given by one or more shareholders of the Offeror who together hold at least 10% of the rights to vote at such general meeting. Should the directors of the Offeror fail to call a general meeting within 21 clear days from the date of receipt of a requisition, the requisitioners or any of them may call a general meeting within three months after the end of that period.

After completion of the Proposal, pursuant to the articles of association of the Offeror, a special resolution will be passed by at least 75% of its shareholders with the approval of the Executive Directors as long as they and/or body corporate(s) controlled by them respectively are shareholders of the Offeror as, being entitled to do so, vote in person or, where proxies are allowed, by proxy, or, in the case of corporations, by their duly authorised representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given or in writing by all of the shareholders entitled to vote at a

general meeting. In computing such 75% requirement, regard will be had to the number of votes to which each shareholder is entitled by the articles of association of the Offeror. Matters requiring the authority of a special resolution include:

- (1) changing the name of the Offeror;
- (2) amending the memorandum or articles of association of the Offeror;
- (3) reducing the share capital of the Offeror;
- (4) varying the redemption rights attached to a class of Offeror Shares;
- (5) to the extent allowed by the Companies Act, validating any prior or future act of the directors of the Offeror which would otherwise be in breach of their duties;
- (6) to the extent permitted by law, releasing any existing or former director (including alternate director), secretary or other officer of the Offeror from liability for any loss, damage or right to compensation relating to their offices;
- (7) resolving to be registered by way of continuation in a jurisdiction outside the jurisdiction in which it is, for the time being, incorporated, registered or existing; and
- (8) if the Offeror is wound up, allowing the liquidator to either divide the whole or any part of the assets of the Offeror in specie, value any assets and determine how the division shall be carried out; or to vest the whole or any part of the assets of the Offeror in trustees.

After completion of the Proposal, the Offeror and/or the relevant member of the Offeror group may only take the following actions with the approval of the Executive Directors as long as they and/or body corporate(s) controlled by them respectively are shareholders of the Offeror:

- (1) pass a special resolution of the Offeror;
- (2) issue new shares, options or derivatives of any member of the Offeror group;
- (3) redeem, repurchase or cancel shares, options or derivatives of any member of the Offeror group;
- (4) change the share capital of any member of the Offeror group;
- (5) major merger or reorganisation of any member of the Offeror group;
- (6) sale, transfer or disposal of the main business or assets of any member of the Offeror group;

- (7) payment of dividends by any member of the Offeror group, approve or change the dividend policy of any member of the Offeror group;
- (8) financing and lending outside of the ordinary course of business of any member of the Offeror group;
- (9) change the size of the board or any board committee of any member of the Offeror group;
- (10) appoint or change any director or executive officer of any member of the Offeror group;
- (11) appoint or change the auditor of any member of the Offeror group;
- (12) listing, liquidation or bankruptcy of any member of the Offeror group; and
- (13) appoint or change management (including vice president and positions higher than vice president) of any member of the Offeror group.

After completion of the Proposal, each of the Executive Directors, as long as such director of the Offeror and/or body corporate(s) controlled by such director of the Offeror are shareholders of the Offeror, will have a pre-emptive right to purchase such portion of Offeror Shares proposed to be disposed of by other shareholders of the Offeror based on his or her shareholding in the Offeror relative to the total number of Offeror Shares held by the Executive Directors and/or body corporate(s) controlled by such directors of the Offeror. If any or some of the Executive Directors choose not to exercise such right, each of the other Executive Directors who chooses to exercise such right will be entitled to purchase such portion of Offeror Shares proposed to be disposed of by other shareholders of the Offeror based on his or her shareholding in the Offeror relative to the total number of Offeror Shares held by all of the Executive Directors who choose to exercise such right and/or body corporate(s) controlled by such directors of the Offeror.

Further details of the rights of the shareholders of the Offeror will be set out in the Scheme Document if required. A copy of the articles of association of the Offeror will be available for inspection as a document on display at the time of despatch of the Scheme Document.

Investors should be aware of, among other things but not limited to, the following risk factors of holding Offeror Shares:

- **transfers of Offeror Shares are subject to restrictions stipulated in articles of association of the Offeror (which will be further detailed in the Scheme Document);**
- **Offeror Shares are not listed on any stock exchange and do not benefit from the protections afforded by the Listing Rules;**

- **section 4.1 of the Introduction to the Takeovers Code provides that the Takeovers Code applies to takeovers, mergers and share buy-backs affecting, among others, public companies in Hong Kong and section 4.2 of the Introduction to Takeovers Code provides that in order to determine whether a company is a public company in Hong Kong, the Executive will take into account the number of Hong Kong shareholders and the extent of share trading in Hong Kong and other factors. If the Offeror is determined by the Executive to be a “public company in Hong Kong”, the Offeror will be subject to the Takeovers Code;**
- **Offeror Shares are illiquid, hence the shareholders of the Offeror may find it more difficult to find a purchaser for the Offeror Shares if they intend to sell their shares, as there is less likely a ready market for Offeror Shares;**
- **there is no guarantee that any dividend payments will be paid in respect of Offeror Shares;**
- **as at the Announcement Date, the Offeror does not have any assets or liabilities other than the CMB Facility, which are borne by all holders of the Offeror Shares from time to time. The Offeror does not intend to engage in any business other than acting as the holding company of the Company after completion of the Proposal;**
- **changes in the business and economic environment could adversely affect the operating profits of Offeror or the value of Offeror’s assets. For example, financial factors such as currency controls, devaluation or regulatory changes, or stability factors such as mass riots, civil war and other potential events could contribute to Offeror’s operational risks; and**
- **general business risks associated with the payment industry including but not limited to:**
 - (1) **uncertainties arising from changes in the competitive landscape – the Company is currently running its business in a competitive market with rapid evolvement of industry structure, customers’ demand as well as product and service content. Some competitors in such market may have more abundant capital and resources, a wider customer base and more aggressive pricing strategies;**
 - (2) **the Company is subject to extensive regulatory requirements, and non-compliance with or changes to these regulatory requirements may affect the Company’s business operations and financial results. The regulatory framework governing the Company’s business includes such aspects as payment settlement, exchange settlement, sale and payment, cross-border payment remittance, anti-fraud, anti-money laundering and commercial factoring. Any change in the**

relevant regulations may lead to an increase in the Company's compliance cost. If the Company fails to comply with applicable rules and regulations, it may be liable to different kinds of penalties;

- (3) if the Company fail to maintain its relationships with independent sales organisations ("ISOs"), SaaS and other channel partners, or to properly manage them, its business, financial condition, results of operations, risk management capabilities and reputation could be adversely affected;
- (4) the Company relies on third parties, such as UnionPay, commercial banks as well as IT infrastructure and services providers, for a variety of services and support from their infrastructure. Any failure by these third parties to perform their obligations or services adequately or on acceptable terms could materially and adversely affect the Company's business;
- (5) uncertainties arising from the technological advancement in the industry. There is a need for the Company to keep abreast of innovative technologies such as mobile internet, big data, artificial intelligence, cloud calculation and 5G for its business development. Application of new technology may incur a considerable amount of costs and time. There is no assurance that innovative products and technology development are to create commercial value. Failure to effectively respond to market demand and technology development may cause adverse impacts on the business prospects of the Company;
- (6) fraudulent and fictitious transactions may pose severe challenges to the Company's risk management capabilities and failure to identify those transactions and manage the related risks may adversely affect the Company's business, financial condition, and results of operations, or lead to regulatory restrictions and penalties; and
- (7) the Company could incur liabilities if its merchants or ISOs refuse or are unable, financially or otherwise, to reimburse it for chargebacks resolved in favour of the customers.

The Option Offer

As at the Announcement Date, there are 209,229,386 Outstanding Share Options granted under the Share Option Scheme, of which 29,760,349 Share Options have an exercise price of US\$0.18, 70,768,445 Share Options have an exercise price of US\$0.5458, 85,794,827 Share Options have an exercise price of US\$0.7846 and 22,905,765 Share Options have an exercise price of HK\$7.50. As at the Announcement Date, all the Share Options under the Share Option Scheme (which is a pre-IPO share option scheme of the Company) have been granted. The Company will not grant any further Share Options under the Share Option Scheme.

The Offeror will make (or procure to be made on its behalf) an appropriate offer to all the holders of the Outstanding Share Options, whether vested or unvested, in accordance with Rule 13 of the Takeovers Code. The Option Offer will be conditional upon the Scheme becoming effective. Under the Option Offer, the Offeror will offer holders of Outstanding Share Options the “see-through” price (being the Cash Alternative minus the relevant exercise price in the case of the Outstanding Share Options) for each Outstanding Share Option they hold for the cancellation of every Share Option in accordance with Rule 13 of the Takeovers Code. Where the exercise price of the relevant Share Option under the Option Offer exceeds HK\$3.50, the “see-through” price is zero and a cash offer of a nominal amount of HK\$0.01 for every 100 Share Options (or part thereof) will be made.

Exercise price per Share Option <i>(Note)</i>	“See-through” price <i>(HK\$)</i>	Number of Outstanding Share Options
US\$0.18 (equivalent to HK\$1.3954)	2.1046	29,760,349
US\$0.5458 (equivalent to HK\$4.2310)	HK\$0.01 for every 100 Share Options (or part hereof)	70,768,445
US\$0.7846 (equivalent to HK\$6.0822)	HK\$0.01 for every 100 Share Options (or part hereof)	85,794,827
HK\$7.50	HK\$0.01 for every 100 Share Options (or part hereof)	22,905,765

Note: Based on the exchange rate of US\$1.00 to HK\$7.7520 as at the Announcement Date.

As at the Announcement Date, except as disclosed below, the Offeror, the Executive Directors and the Offeror Concert Parties do not hold any Share Options.

Holder of Share Options	Number of Share Options with an exercise price of			
	US\$0.18	US\$0.5458	US\$0.7846	HK\$7.50
Mr. Zhou	0	15,192,871	40,739,455	8,119,973
Ms. Mu	0	6,844,211	20,928,120	3,501,592
Mr. Jin	0	4,661,084	7,328,915	1,977,643
Mr. Liu	5,427,455	2,959,853	581,660	581,660

Further information on the Option Offer will be set out in a letter to the holders of the Outstanding Share Options, which will be despatched at or around the same time as the despatch of the Scheme Document.

If any of the Outstanding Share Options is exercised in accordance with the terms of the Share Option Scheme, as applicable, on or before the Record Date, any Shares so issued will be subject to and eligible to participate in the Scheme.

The Option Offer will be extended to all Share Options in issue on the date on which the Option Offer is made.

As at the Announcement Date, all Share Options with an exercise price of US\$0.18 and US\$0.5458 are vested, and 71,834,990 and 11,452,882 Share Options with an exercise price of US\$0.7846 and HK\$7.50, respectively, are vested. All Share Options will remain valid and exercisable during their respective option periods in accordance with the terms of the Share Option Scheme notwithstanding the Proposal. Any unexercised Share Option which has not been cancelled pursuant to the Proposal as its holder has not accepted the Option Offer will survive the completion of the Proposal and remain exercisable for Shares provided that it has not terminated or lapsed under its terms or the terms of the Share Option Scheme, the exercise of such Share Options after completion of the Proposal will result in dilution of the Offeror's holding in the Company. As at the Announcement Date, the exercise of all the Outstanding Share Options in full would result in the issue of 209,229,386 new Shares (representing approximately 16.06% of the issued share capital of the Company as at the Announcement Date) and approximately 13.83% of the issued share capital of the Company as enlarged by the issue of such new Shares.

The Executive Directors have indicated that they will not accept the Option Offer in respect of the Outstanding Share Options held by them and will not exercise such Outstanding Share Options during the offer period (as defined under the Takeovers Code). As at the Announcement Date, excluding the Outstanding Share Options held by the Executive Directors, there are 99,935,522 Outstanding Share Options granted under the Share Option Scheme, of which 29,760,349 Share Options have an exercise price of US\$0.18, 44,070,279 Share Options have an exercise price of US\$0.5458, 16,798,337 Share Options have an exercise price of US\$0.7846 and 9,306,557 Share Options have an exercise price of HK\$7.50. The exercise of such Outstanding Share Options in full would result in the issue of 99,935,522 new Shares (representing approximately 7.67% of the issued share capital of the Company as at the Announcement Date) and approximately 7.12% of the issued share capital of the Company as enlarged by the issue of such new Shares.

Conditions to the Proposal and the Scheme

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the following:

- (1) the approval of the Scheme (by way of a poll) by a majority in number of the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting, provided that:
 - (a) the Scheme is approved (by way of poll) by the Disinterested Shareholders holding at least 75% of the votes attaching to the Disinterested Shares that are voted either in person or by proxy at the Court Meeting; and
 - (b) the number of votes cast (by way of poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Disinterested Shares;
- (2) the passing of:
 - (a) a special resolution by a majority of not less than 75% of the votes cast by the Shareholders present and voting in person or by proxy at the General Meeting to approve and give effect to the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled; and
 - (b) an ordinary resolution by the Shareholders at the General Meeting to immediately thereafter increase the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par the new Shares, credited as fully paid, for issuance to the Offeror;
- (3) the Grand Court's sanction of the Scheme (with or without modification) and, to the extent necessary, its confirmation of the reduction of the share capital of the Company, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (4) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under sections 15 and 16 of the Companies Act in relation to the reduction of the issued share capital of the Company;

- (5) all authorisations, approvals, permissions, waivers and consents and all registrations and filings (including without limitation any which are required or desirable under or in connection with any applicable laws or regulations or any licences, permits or contractual obligations of the Company) in connection with the Proposal or its implementation and the withdrawal of listing of the Shares from the Stock Exchange in accordance with its terms having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification;
- (6) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding or suit (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or its implementation in accordance with its terms), other than such actions, proceedings or suits as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal or the Scheme; and
- (7) since the Announcement Date, there not having been any instituted or remaining outstanding litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Group is a party (whether as plaintiff, defendant or otherwise) and no such proceedings will be threatened in writing against any such member (and no investigation by any government or quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member will be threatened in writing, announced, instituted or remain outstanding by, against or in respect of any such member), in each case which is material and adverse in the context of the Group taken as a whole or in the context of the Proposal.

With reference to condition (5), so far as the Offeror is aware, according to the Measures for the Administration of Overseas Investment of Enterprises of the PRC, the Executive Directors, being PRC individuals making overseas investments through overseas enterprises controlled by them, will be required to inform the National Development and Reform Commission of the PRC of certain information about the Proposal by way of submitting a status report in the specified form prior to the completion of the Proposal. The Offeror reserves the right to waive conditions (5) to (7) either in whole or in part, either generally or in respect of any particular matter to the extent that such waiver would not make the Proposal or its implementation in accordance with its terms illegal. Conditions (1), (2), (3) and (4) cannot be waived in any event. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal.

All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse. The Company has no right to waive any of the Conditions.

If approved, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

WARNING:

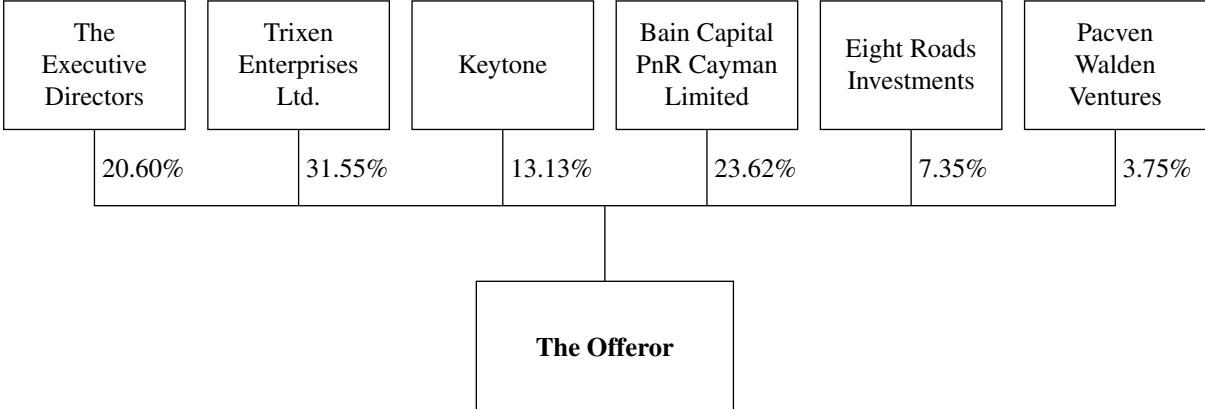
Shareholders and potential investors should be aware that the implementation of the Proposal, the Scheme and the Option Offer are subject to conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, the Scheme may or may not become effective and the Option Offer may or may not be implemented. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

3. IRREVOCABLE UNDERTAKINGS

On 22 December 2020, the Offeror received an Irrevocable Undertaking from each of the IU Shareholders (comprising Trixen Enterprises Ltd., Keytone, Bain Capital PnR Cayman Limited, Eight Roads Investments, Pacven Walden Ventures and Bright Journey Investment Limited), pursuant to which each of the IU Shareholders has undertaken to, amongst other things, (i) exercise (or procure the exercise of) all voting rights attached to the Shares held or owned by it at the Court Meeting and the General Meeting in favour of all the resolutions to approve the Proposal and any matters in connection with the Proposal (where applicable) and (ii) for each of Trixen Enterprises Ltd., Keytone, Bain Capital PnR Cayman Limited, Eight Roads Investments and Pacven Walden Ventures, elect the Share Alternative only as the form of Cancellation Consideration for the cancellation of Shares held or owned by it and for Bright Journey Investment Limited, elect the Cash Alternative only as the form of Cancellation Consideration for the cancellation of Shares held or owned by it. The 828,738,505 Shares held by the IU Shareholders which are the subject of the Irrevocable Undertakings represents approximately 63.59% of the total issued share capital of the Company as at the Announcement Date.

Pursuant to the Irrevocable Undertakings and assuming (a) each of the Executive Directors, Trixen Enterprises Ltd., Keytone, Bain Capital PnR Cayman Limited, Eight Roads Investments and Pacven Walden Ventures elects the Share Alternative, (b) all the other Scheme Shareholders elect the Cash Alternative, (c) no Outstanding Share Options are exercised and no further Shares are issued before the Record Date and (d) there is no other change in shareholding of the Company before completion of the Proposal, the Offeror will be owned by the Executive Directors and the IU Shareholders who have elected the Share Alternative as to 20.60% and

79.40%, respectively, upon completion of the Proposal. The chart below sets out the shareholding structure of the Offeror after completion of the Proposal on such assumption for illustrative purposes only:



The Irrevocable Undertakings, being binding irrevocable undertakings, will terminate and the above obligations of the IU Shareholders under the Irrevocable Undertakings will cease to be binding if the Scheme does not become effective, lapses or is withdrawn in accordance with its terms.

As at the Announcement Date, the information about the IU Shareholders are as follows:

Trixen Enterprises Ltd.:

Trixen Enterprises Ltd. is an investment holding company established under the laws of the British Virgin Islands and a substantial shareholder of the Company holding 307,800,000 Shares (representing approximately 23.62% of the issued share capital of the Company). Trixen Enterprises Ltd. is wholly-owned by Mr. Putera Sampoerna.

Keytone:

Keytone Ventures, L.P. and Keytone Ventures II, L.P., being limited partnerships formed under the laws of the Cayman Islands, together hold in aggregate 128,077,180 Shares (representing approximately 9.83% of the issued share capital of the Company). The general partners of Keytone Ventures, L.P. and Keytone Ventures II, L.P. are Keytone Capital Partners, L.P. and Keytone Capital Partners II, L.P., respectively.

Bain Capital PnR Cayman Limited:

Bain Capital PnR Cayman Limited is an exempted company with limited liability incorporated under the laws of the Cayman Islands and a substantial shareholder of the Company holding 230,416,159 Shares (representing approximately 17.68% of the issued share capital of the Company). Bain Capital PnR Cayman Limited is wholly-owned by Bain Capital PnR Holdings, L.P., a limited partnership formed under the laws of the Cayman Islands whose general partner

is BCPE China PnR GP, LLC. Approximately 65.05% of Bain Capital PnR Holdings, L.P. is contributed by Bain Capital Asia Fund II, L.P., a limited partnership formed under the laws of the Cayman Islands whose general partner is Bain Capital Partners Asia II, L.P., as a limited partner. The general partner of Bain Capital Partners Asia II, L.P. is Bain Capital Investors, LLC.

Eight Roads Investments:

Eight Roads Investments, a company incorporated under the laws of Bermuda, is interested in an aggregate of 71,684,931 Shares (representing approximately 5.50% of the issued share capital of the Company). Eight Roads Investments is wholly-owned by Eight Roads Holdings Limited.

Pacven Walden Ventures:

Pacven Walden Ventures VI, L.P., Pacven Walden Venture Parallel VI, L.P. and Pacven Walden Venture Parallel VI-KT, L.P., being limited partnerships formed under the laws of the Cayman Islands whose general partner is Pacven Walden Management VI Co. Ltd., together hold in aggregate 36,593,480 Shares (representing approximately 2.81% of the issued share capital of the Company). Pacven Walden Management VI Co. Ltd. is managed by Mr. Lip-Bu Tan, the founder and chairman of Walden International, Inc.

Bright Journey Investment Limited:

Bright Journey Investment Limited is an investment holding company established under the laws of the British Virgin Islands holding 54,166,755 Shares (representing approximately 4.16% of the issued share capital of the Company). So far as the Offeror is aware, Bright Journey Investment Limited is beneficially owned by Tsang Chun Yiu, Xu Qiang and Wang Ya Jing.

Save for the Irrevocable Undertakings, no irrevocable commitment to vote for or against the Scheme has been received by the Offeror, the Executive Directors or the Offeror Concert Parties, as at the Announcement Date.

4. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Announcement Date, the Company has 1,303,190,199 Shares in issue, all of which are Scheme Shares.

As at the Announcement Date, the Offeror does not hold any Shares, the Executive Directors directly and indirectly hold in aggregate 87,046,793 Shares (representing approximately 6.68% of the issued share capital of the Company), and the Offeror Concert Parties hold in aggregate 142,505,000 Shares (representing approximately 10.94% of the issued share capital of the Company).

As at the Announcement Date, Management Company directly holds 142,199,998 Shares and indirectly holds 2 Shares through its wholly-owned subsidiary, P Holdings. Management Company is owned as to 60% by Mr. Zhou, 20% by Ms. Mu and 20% by Mr. Liu. It is proposed that an internal reorganisation will be conducted after the Announcement Date but before the Record Date (the “**Internal Reorganisation**”), after which each of Mr. Zhou, Ms. Mu and Mr. Liu will hold, directly or indirectly, his or her interest in the Company independently (which are pro rata to their holdings in Management Company) and Mr. Zhou and Ms. Mu will as a result hold an aggregate of 113,760,000 Shares (representing approximately 8.73% of the issued share capital of the Company).

On the assumption that no Outstanding Share Options are exercised before the Record Date and there is no other change in shareholding of the Company before completion of the Proposal, the table below sets out the shareholding structure of the Company as at the Announcement Date, immediately upon completion of the Internal Reorganisation and immediately upon completion of the Proposal:

Shareholders	As at the Announcement Date		Immediately upon completion of the Internal Reorganisation		Immediately upon completion of the Proposal	
	Number of Shares	Approximate percentage of the issued share capital (Note 1)	Number of Shares	Approximate percentage of the issued share capital (Note 1)	Number of Shares (Note 2)	Approximate percentage of the issued share capital (Note 1)
Offeror	-	-	-	-	1,303,190,199	100.00%
Executive Directors						
(Note 3)	87,046,793	6.68%	200,806,793	15.41%	-	-
- Mr. Zhou (Note 4)	56,656,123	4.35%	141,976,123	10.89%	-	-
- Ms. Mu (Note 5)	21,083,116	1.62%	49,523,116	3.80%	-	-
- Mr. Jin (Note 6)	9,307,554	0.71%	9,307,554	0.71%	-	-
Offeror Concert Parties subject to the Scheme						
- Mr. Liu (Note 7)	305,000	0.02%	28,745,000	2.21%	-	-
- Management Company (Note 8)	142,200,000	10.91%	-	-	-	-
- P Holdings (Note 8)	2	0.00%	-	-	-	-
Aggregate number of Shares held by the Offeror, the Executive Directors and Offeror Concert Parties	229,551,793	17.61%	229,551,793	17.61%	1,303,190,199	100.00%

Shareholders	As at the Announcement Date		Immediately upon completion of the Internal Reorganisation		Immediately upon completion of the Proposal	
	Number of Shares	Approximate percentage of the issued share capital (Note 1)	Number of Shares	Approximate percentage of the issued share capital (Note 1)	Number of Shares (Note 2)	Approximate percentage of the issued share capital (Note 1)
Disinterested Shareholders	1,073,638,406	82.39%	1,073,638,406	82.39%	-	-
- Trixen Enterprises Ltd.	307,800,000	23.62%	307,800,000	23.62%	-	-
- Keytone	128,077,180	9.83%	128,077,180	9.83%	-	-
- Bain Capital PnR Cayman Limited	230,416,159	17.68%	230,416,159	17.68%	-	-
- Eight Roads Investments	71,684,931	5.50%	71,684,931	5.50%	-	-
- Bright Journey Investment Limited	54,166,755	4.16%	54,166,755	4.16%	-	-
- Pacven Walden Ventures	36,593,480	2.81%	36,593,480	2.81%	-	-
- Zedra Trust Company (Cayman) Limited (Note 9)	58,780,904	4.51%	58,780,904	4.51%	-	-
- Other Disinterested Shareholders	186,118,997	14.28%	186,118,997	14.28%	-	-
Total number of Shares	<u>1,303,190,199</u>	<u>100.00%</u>	<u>1,303,190,199</u>	<u>100.00%</u>	<u>1,303,190,199</u>	<u>100.00%</u>
Total number of Scheme Shares	<u>1,303,190,199</u>	<u>100.00%</u>	<u>1,303,190,199</u>	<u>100.00%</u>	<u>-</u>	<u>-</u>

Notes:

1. All percentages in the above table are approximations.
2. Under the Scheme, the issued share capital of the Company will, on the Effective Date, be reduced by cancelling the Scheme Shares. On the assumption that no Share Options are exercised before the Record Date and there is no other change in shareholding of the Company before completion of the Proposal, upon such reduction, the issued share capital of the Company will be increased to its former amount by the issuance to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full the new Shares so issued, credited as fully paid, to the Offeror.
3. The number of Shares held by the Executive Directors in aggregate as at the Announcement Date includes the 37,228,804 Shares of the Executive Directors from exercising Share Options, which are held through a CCASS custodian account administered by Computershare, and the 49,817,989 Shares corresponding to restricted share units under the Share Award Scheme, which are granted, vested and held in trust by Zedra Trust Company (Cayman) Limited for them. The Executive Directors propose to make arrangements after the Announcement Date to obtain the legal titles to such Shares, which may be held indirectly through investment vehicle(s). As a result of the Internal Reorganisation and the above arrangements, the Executive Directors will in aggregate hold, directly or indirectly, 200,806,793 Shares (representing approximately 15.41% of the issued share capital of the Company) immediately upon completion of the Internal Reorganisation.

4. The number of Shares held by Mr. Zhou as at the Announcement Date includes the 29,165,323 Shares of Mr. Zhou from exercising Share Options, which are held through a CCASS custodian account administered by Computershare, and the 27,490,800 Shares corresponding to restricted share units under the Share Award Scheme, which are granted, vested and held in trust by Zedra Trust Company (Cayman) Limited for Mr. Zhou. Mr. Zhou proposes to make arrangements after the Announcement Date to obtain the legal title to such Shares, which may be held indirectly through investment vehicle(s). As a result of the Internal Reorganisation and the above arrangements, Mr. Zhou will in aggregate hold, directly or indirectly, 141,976,123 Shares (representing approximately 10.89% of the issued share capital of the Company) immediately upon completion of the Internal Reorganisation.
5. The number of Shares held by Ms. Mu as at the Announcement Date includes the 7,063,481 Shares of Ms. Mu from exercising Share Options, which are held through a CCASS custodian account administered by Computershare, and the 14,019,635 Shares corresponding to restricted share units under the Share Award Scheme, which are granted, vested and held in trust by Zedra Trust Company (Cayman) Limited for Ms. Mu. Ms. Mu proposes to make arrangements after the Announcement Date to obtain the legal title to such Shares, which may be held indirectly through investment vehicle(s). As a result of the Internal Reorganisation and the above arrangements, Ms. Mu will in aggregate hold, directly or indirectly, 49,523,116 Shares (representing approximately 3.80% of the issued share capital of the Company) immediately upon completion of the Internal Reorganisation.
6. The number of Shares held by Mr. Jin as at the Announcement Date includes the 1,000,000 Shares of Mr. Jin from exercising Share Options, which are held through a CCASS custodian account administered by Computershare, and the 8,307,554 Shares corresponding to restricted share units under the Share Award Scheme, which are granted, vested and held in trust by Zedra Trust Company (Cayman) Limited for Mr. Jin. Mr. Jin proposes to make arrangements after the Announcement Date to obtain the legal title to such Shares, which may be held indirectly through investment vehicle(s). As a result of the above arrangements, Mr. Jin will in aggregate hold, directly or indirectly, 9,307,554 Shares (representing approximately 0.71% of the issued share capital of the Company) immediately upon completion of the Internal Reorganisation.
7. Mr. Liu is presumed to be acting in concert with Mr. Zhou and Ms. Mu in accordance with class 1 of the definition of “acting in concert” under the Takeovers Code by virtue of holding 20% in Management Company, in which each of Mr. Zhou and Ms. Mu holds 60% and 20%, respectively. The number of Shares held by Mr. Liu as at the Announcement Date includes the 305,000 Shares of Mr. Liu from exercising Share Options, which are held through a CCASS custodian account administered by Computershare. As a result of the Internal Reorganisation and the above arrangements, Mr. Liu will in aggregate hold, directly or indirectly, 28,745,000 Shares (representing approximately 2.21% of the issued share capital of the Company) immediately upon completion of the Internal Reorganisation.
8. Management Company and its wholly-owned subsidiary P Holdings are presumed to be acting in concert with Mr. Zhou and Ms. Mu in accordance with class 1 of the definition of “acting in concert” under the Takeovers Code by virtue of Mr. Zhou and Ms. Mu’s holdings in them respectively. As at the Announcement Date, Management Company directly holds 142,199,998 Shares and indirectly holds 2 Shares through its wholly-owned subsidiary, P Holdings. Management Company is owned as to 60% by Mr. Zhou, 20% by Ms. Mu and 20% by Mr. Liu. It is proposed that the Internal Reorganisation will be conducted after the Announcement Date

but before the Record Date, after which each of Mr. Zhou, Ms. Mu and Mr. Liu will hold, directly or indirectly, his or her interest in the Company independently (which are pro rata to their holdings in Management Company).

9. As at the Announcement Date, 58,780,904 Shares corresponding to restricted share units under the Share Award Scheme are granted, vested and held in trust by Zedra Trust Company (Cayman) Limited for employees of the Group being Disinterested Shareholders. For completeness, as at the Announcement Date, Zedra Trust Company (Cayman) Limited also holds 49,817,989 Shares in trust for the Executive Directors, which has been included in the holdings of the Executive Directors in this table (see Notes 3, 4, 5 and 6). According to the rules of the Share Award Scheme, Zedra Trust Company (Cayman) Limited may not exercise the voting rights in respect of such Shares. The relevant employees of the Group may have the Shares held by Zedra Trust Company (Cayman) Limited released to them during the offer period (as defined under the Takeovers Code).

Following the Effective Date and the withdrawal of listing of the Shares on the Stock Exchange, the Offeror will hold 100% of the issued share capital of the Company, on the assumption that there is no other change in shareholding in the Company before completion of the Proposal.

Share Options

As at the Announcement Date, there are 209,229,386 Outstanding Share Options granted under the Share Option Scheme, of which 29,760,349 Share Options have an exercise price of US\$0.18, 70,768,445 Share Options have an exercise price of US\$0.5458, 85,794,827 Share Options have an exercise price of US\$0.7846 and 22,905,765 Share Options have an exercise price of HK\$7.50. As at the Announcement Date, all the Share Options under the Share Option Scheme have been granted. The Company will not grant any further Share Options under the Share Option Scheme.

The exercise of all the Outstanding Share Options in full would result in the issue of 209,229,386 new Shares (representing approximately 16.06% of the issued share capital of the Company as at the Announcement Date) and approximately 13.83% of the issued share capital of the Company as enlarged by the issue of such new Shares.

Accordingly, the Offeror will make (or procure to be made on their behalf) the Option Offer for the 209,229,386 Outstanding Share Options assuming no exercise or lapse of such Share Options by them before the Record Date. Such Option Offer will be conditional upon the Scheme becoming effective.

Further information on the Option Offer will be set out in a letter to the holders of the Outstanding Share Options which will be despatched at or around the same time as the despatch of the Scheme Document.

On the assumption that all the Share Options (other than those held by the Executive Directors who have indicated that they will not exercise the Outstanding Share Options held by them during the offer period (as defined under the Takeovers Code)) are exercised before the

Announcement Date and that there is no other change in shareholding of the Company before completion of the Proposal, the table below sets out the shareholding structure of the Company as at the Announcement Date, immediately upon completion of the Internal Reorganisation and immediately upon completion of the Proposal:

Shareholders	As at the Announcement Date had all the Share Options been		Immediately upon completion of the Internal Reorganisation		Immediately upon completion of the Proposal	
	exercised before the Announcement Date					
	<i>Approximate percentage of the issued Shares</i>	<i>Approximate percentage of the issued share capital (Note 1)</i>	<i>Approximate percentage of the issued Shares</i>	<i>Approximate percentage of the issued share capital (Note 1)</i>	<i>Approximate percentage of the issued Shares</i>	<i>Approximate percentage of the issued share capital (Note 1)</i>
Offeror	-	-	-	-	1,403,125,721	100.00%
Executive Directors (Note 3)	87,046,793	6.20%	200,806,793	14.31%	-	-
- Mr. Zhou (Note 4)	56,656,123	4.04%	141,976,123	10.12%	-	-
- Ms. Mu (Note 5)	21,083,116	1.50%	49,523,116	3.53%	-	-
- Mr. Jin (Note 6)	9,307,554	0.66%	9,307,554	0.66%	-	-
Offeror Concert Parties subject to the Scheme						
- Mr. Liu (Note 7)	9,855,628	0.70%	38,295,628	2.73%	-	-
- Management Company (Note 8)	142,200,000	10.13%	-	-	-	-
- P Holdings (Note 8)	2	0.00%	-	-	-	-
Aggregate number of Shares held by the Offeror, the Executive Directors and Offeror Concert Parties	239,102,421	17.04%	239,102,421	17.04%	1,403,125,721	100.00%
Disinterested Shareholders	1,164,023,300	82.96%	1,164,023,300	82.96%	-	-
- Trixen Enterprises Ltd.	307,800,000	21.94%	307,800,000	21.94%	-	-
- Keytone	128,077,180	9.13%	128,077,180	9.13%	-	-
- Bain Capital PnR Cayman Limited	230,416,159	16.42%	230,416,159	16.42%	-	-
- Eight Roads Investments	71,684,931	5.11%	71,684,931	5.11%	-	-
- Bright Journey Investment Limited	54,166,755	3.86%	54,166,755	3.86%	-	-
- Pacven Walden Ventures	36,593,480	2.61%	36,593,480	2.61%	-	-
- Other Optionholders (assuming all Share Options exercised) (Note 9)	92,124,842	6.57%	92,124,842	6.57%	-	-
- Zedra Trust Company (Cayman) Limited (Note 10)	58,780,904	4.19%	58,780,904	4.19%	-	-
- Other Disinterested Shareholders	184,379,049	13.14%	184,379,049	13.14%	-	-
Total number of Shares	1,403,125,721	100.00%	1,403,125,721	100%	1,403,125,721	100%

Shareholders	As at the Announcement Date had all the Share Options been					
	exercised before the Announcement Date		Immediately upon completion of the Internal Reorganisation		Immediately upon completion of the Proposal	
	<i>Approximate percentage of</i>		<i>Approximate percentage of</i>		<i>Approximate percentage of</i>	
	<i>Number of Shares</i>	<i>the issued share capital (Note 1)</i>	<i>Number of Shares</i>	<i>the issued share capital (Note 1)</i>	<i>Number of Shares</i>	<i>the issued share capital (Note 2)</i>
Total number of Scheme Shares	<u>1,403,125,721</u>	<u>100.00%</u>	<u>1,403,125,721</u>	<u>100%</u>	<u>-</u>	<u>-</u>

Notes:

- All percentages in the above table are approximations.
- Under the Scheme, the issued share capital of the Company will, on the Effective Date, be reduced by cancelling the Scheme Shares. On the assumption that all the Share Options are exercised before the Announcement Date and that there is no other change in shareholding of the Company before completion of the Proposal, upon such reduction, the issued share capital of the Company will be increased to its former amount by the issuance to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full the new Shares so issued, credited as fully paid, to the Offeror.
- The number of Shares held by the Executive Directors in aggregate as at the Announcement Date includes the 37,228,804 Shares of the Executive Directors from exercising Share Options, which are held through a CCASS custodian account administered by Computershare, and the 49,817,989 Shares corresponding to restricted share units under the Share Award Scheme, which are granted, vested and held in trust by Zedra Trust Company (Cayman) Limited for them. The Executive Directors propose to make arrangements after the Announcement Date to obtain the legal titles to such Shares, which may be held indirectly through investment vehicle(s). As a result of the Internal Reorganisation and the above arrangements, the Executive Directors will in aggregate hold, directly or indirectly, 200,806,793 Shares (representing approximately 14.31% of the issued share capital of the Company) immediately upon completion of the Internal Reorganisation.
- The number of Shares held by Mr. Zhou as at the Announcement Date includes the 29,165,323 Shares from exercising Share Options, which are held through a CCASS custodian account administered by Computershare, and the 27,490,800 Shares corresponding to restricted share units under the Share Award Scheme, which are granted, vested and held in trust by Zedra Trust Company (Cayman) Limited for Mr. Zhou. Mr. Zhou proposes to make arrangements after the Announcement Date to obtain the legal title to such Shares, which may be held indirectly through investment vehicle(s). As a result of the Internal Reorganisation and the above arrangements, Mr. Zhou will in aggregate hold, directly or indirectly, 141,976,123 Shares (representing approximately 10.12% of the issued share capital of the Company) immediately upon completion of the Internal Reorganisation.

5. The number of Shares held by Ms. Mu as at the Announcement Date includes the 7,063,481 Shares of Ms. Mu from exercising Share Options, which are held through a CCASS custodian account administered by Computershare, and the 14,019,635 Shares corresponding to restricted share units under the Share Award Scheme, which are granted, vested and held in trust by Zedra Trust Company (Cayman) Limited for Ms. Mu. Ms. Mu proposes to make arrangements after the Announcement Date to obtain the legal title to such Shares, which may be held indirectly through investment vehicle(s). As a result of the Internal Reorganisation and the above arrangements, Ms. Mu will in aggregate hold, directly or indirectly, 49,523,116 Shares (representing approximately 3.53% of the issued share capital of the Company) immediately upon completion of the Internal Reorganisation.
6. The number of Shares held by Mr. Jin as at the Announcement Date includes the 1,000,000 Shares of Mr. Jin from exercising Share Options, which are held through a CCASS custodian account administered by Computershare, and the 8,307,554 Shares corresponding to restricted share units under the Share Award Scheme, which are granted, vested and held in trust by Zedra Trust Company (Cayman) Limited for Mr. Jin. Mr. Jin proposes to make arrangements after the Announcement Date to obtain the legal title to such Shares, which may be held indirectly through investment vehicle(s). As a result of the above arrangements, Mr. Jin will in aggregate hold, directly or indirectly, 9,307,554 Shares (representing approximately 0.66% of the issued share capital of the Company) immediately upon completion of the Internal Reorganisation.
7. Mr. Liu is presumed to be acting in concert with Mr. Zhou and Ms. Mu in accordance with class 1 of the definition of “acting in concert” under the Takeovers Code by virtue of holding 20% in Management Company, in which each of Mr. Zhou and Ms. Mu holds 60% and 20%, respectively. The number of Shares held by Mr. Liu as at the Announcement Date includes: (1) the 305,000 Shares of Mr. Liu from exercising Share Options, which are held through a CCASS custodian account administered by Computershare; and (2) the Shares to be issued assuming all the Share Options of Mr. Liu (being 5,427,455, 2,959,853, 581,660 and 581,660 Share Options with the exercise prices of US\$0.18, US\$0.5458, US\$0.7846 and HK\$7.50, respectively) are exercised before the Announcement Date. As a result of the Internal Reorganisation and the above arrangements, Mr. Liu will in aggregate hold, directly or indirectly, 38,295,628 Shares (representing approximately 2.73% of the issued share capital of the Company) immediately upon completion of the Internal Reorganisation.
8. Management Company and its wholly-owned subsidiary P Holdings are presumed to be acting in concert with Mr. Zhou and Ms. Mu in accordance with class 1 of the definition of “acting in concert” under the Takeovers Code by virtue of Mr. Zhou and Ms. Mu’s holdings in them respectively. As at the Announcement Date, Management Company directly holds 142,199,998 Shares and indirectly holds 2 Shares through its wholly-owned subsidiary, P Holdings. Management Company is owned as to 60% by Mr. Zhou, 20% by Ms. Mu and 20% by Mr. Liu. It is proposed that the Internal Reorganisation will be conducted after the Announcement Date but before the Record Date, after which each of Mr. Zhou, Ms. Mu and Mr. Liu will hold, directly or indirectly, his or her interest in the Company independently (which are pro rata to their holdings in Management Company).
9. Other Optionholders include all the Optionholders other than Mr. Zhou, Ms. Mu, Mr. Jin and Mr. Liu. The number of Shares held by them as at the Announcement Date, included in the Shares held by the Disinterested Shareholders, includes: (1) the 1,739,948 Shares of them from exercising Share Options, which are held through a CCASS custodian account administered by Computershare; and (2) the Shares to be issued assuming all the Share Options of them (being

24,332,894, 41,110,426, 16,216,677 and 8,724,897 Share Options with the exercise prices of US\$0.18, US\$0.5458, US\$0.7846 and HK\$7.50, respectively) are exercised before the Announcement Date.

10. As at the Announcement Date, 58,780,904 Shares corresponding to restricted share units under the Share Award Scheme are granted, vested and held in trust by Zedra Trust Company (Cayman) Limited for employees of the Group being Disinterested Shareholders. For completeness, as at the Announcement Date, Zedra Trust Company (Cayman) Limited also holds 49,817,989 Shares in trust for the Executive Directors, which has been included in the holdings of the Executive Directors in this table (see Notes 3, 4, 5 and 6). According to the rules of the Share Award Scheme, Zedra Trust Company (Cayman) Limited may not exercise the voting rights in respect of such Shares. The relevant employees of the Group may have the Shares held by Zedra Trust Company (Cayman) Limited released to them during the offer period (as defined under the Takeovers Code).

On the assumption that all the Share Options with the exercise price of US\$0.18 are exercised before the Announcement Date (noting the Executive Directors are not interested in any Share Option with the exercise price of US\$0.18 as at the Announcement Date), that no Share Options with the exercise price of US\$0.5458, US\$0.7846 and HK\$7.50 are exercised before the Announcement Date and that there is no other change in shareholding of the Company before completion of the Proposal, the table below sets out the shareholding structure of the Company as at the Announcement Date, immediately upon completion of the Internal Reorganisation and immediately upon completion of the Proposal:

Shareholders	As at the Announcement Date had all the Share Options with the exercise price of US\$0.18 been exercised before the Announcement Date		Immediately upon completion of the Internal Reorganisation		Immediately upon completion of the Proposal	
	Number of Shares	Approximate percentage of the issued share capital (Note 1)	Number of Shares	Approximate percentage of the issued share capital (Note 1)	Number of Shares (Note 2)	Approximate percentage of the issued share capital (Note 1)
Offeror	-	-	-	-	1,332,950,548	100.00%
Executive Directors (Note 3)	87,046,793	6.53%	200,806,793	15.06%	-	-
- Mr. Zhou (Note 4)	56,656,123	4.25%	141,976,123	10.65%	-	-
- Ms. Mu (Note 5)	21,083,116	1.58%	49,523,116	3.72%	-	-
- Mr. Jin (Note 6)	9,307,554	0.70%	9,307,554	0.70%	-	-
Offeror Concert Parties subject to the Scheme						
- Mr. Liu (Note 7)	5,732,455	0.43%	34,172,455	2.56%	-	-
- Management Company (Note 8)	142,200,000	10.67%	-	-	-	-
- P Holdings (Note 8)	2	0.00%	-	-	-	-
Aggregate number of Shares held by the Offeror, the Executive Directors and Offeror Concert Parties	234,979,248	17.63%	234,979,248	17.63%	1,332,950,548	100.00%
Disinterested Shareholders	1,097,971,300	82.37%	1,097,971,300	82.37%	-	-
- Trixen Enterprises Ltd.	307,800,000	23.09%	307,800,000	23.09%	-	-
- Keytone	128,077,180	9.61%	128,077,180	9.61%	-	-
- Bain Capital PnR Cayman Limited	230,416,159	17.29%	230,416,159	17.29%	-	-
- Eight Roads Investments	71,684,931	5.38%	71,684,931	5.38%	-	-

Shareholders	As at the Announcement Date had all the Share Options with the exercise price of US\$0.18 been exercised before the Announcement Date		Immediately upon completion of the Internal Reorganisation		Immediately upon completion of the Proposal	
	Number of Shares	Approximate percentage of the issued share capital (Note 1)	Number of Shares	Approximate percentage of the issued share capital (Note 1)	Number of Shares (Note 2)	Approximate percentage of the issued share capital (Note 1)
- Bright Journey Investment Limited	54,166,755	4.06%	54,166,755	4.06%	-	-
- Pacven Walden Ventures	36,593,480	2.75%	36,593,480	2.75%	-	-
- Other Optionholders (assuming Share Options with the exercise price of US\$0.18 exercised) (Note 9)	26,072,842	1.96%	26,072,842	1.96%	-	-
- Zedra Trust Company (Cayman) Limited (Note 10)	58,780,904	4.41%	58,780,904	4.41%	-	-
- Other Disinterested Shareholders	184,379,049	13.83%	184,379,049	13.83%	-	-
Total number of Shares	<u>1,332,950,548</u>	<u>100.00%</u>	<u>1,332,950,548</u>	<u>100.00%</u>	<u>1,332,950,548</u>	<u>100.00%</u>
Total number of Scheme Shares	<u>1,332,950,548</u>	<u>100.00%</u>	<u>1,332,950,548</u>	<u>100.00%</u>	<u>-</u>	<u>-</u>

Notes:

- All percentages in the above table are approximations.
- Under the Scheme, the issued share capital of the Company will, on the Effective Date, be reduced by cancelling the Scheme Shares. On the assumption that that all the Share Options with the exercise price of US\$0.18 are exercised before the Announcement Date, that no Share Options with the exercise prices of US\$0.5458, US\$0.7846 and HK\$7.50 are exercised before the Announcement Date and that there is no other change in shareholding of the Company before completion of the Proposal, upon such reduction, the issued share capital of the Company will be increased to its former amount by the issuance to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full the new Shares so issued, credited as fully paid, to the Offeror.
- The number of Shares held by the Executive Directors in aggregate as at the Announcement Date includes the 37,228,804 Shares of the Executive Directors from exercising Share Options, which are held through a CCASS custodian account administered by Computershare, and the 49,817,989 Shares corresponding to restricted share units under the Share Award Scheme, which are granted, vested and held in trust by Zedra Trust Company (Cayman) Limited for them. The Executive Directors propose to make arrangements after the Announcement Date to obtain the legal titles to such Shares, which may be held indirectly through investment vehicle(s). As at the Announcement Date, the Executive Directors are not interested in any Share Option with the exercise price of US\$0.18. As a result of the Internal Reorganisation and the above arrangements, the Executive

Directors will in aggregate hold, directly or indirectly, 200,806,793 Shares (representing approximately 15.06% of the issued share capital of the Company) immediately upon completion of the Internal Reorganisation.

4. The number of Shares held by Mr. Zhou as at the Announcement Date includes the 29,165,323 Shares from exercising Share Options, which are held through a CCASS custodian account administered by Computershare, and the 27,490,800 Shares corresponding to restricted share units under the Share Award Scheme, which are granted, vested and held in trust by Zedra Trust Company (Cayman) Limited for Mr. Zhou. Mr. Zhou proposes to make arrangements after the Announcement Date to obtain the legal title to such Shares, which may be held indirectly through investment vehicle(s). As at the Announcement Date, Mr. Zhou is not interested in any Share Option with the exercise price of US\$0.18. As a result of the Internal Reorganisation and the above arrangements, Mr. Zhou will in aggregate hold, directly or indirectly, 141,976,123 Shares (representing approximately 10.65% of the issued share capital of the Company) immediately upon completion of the Internal Reorganisation.
5. The number of Shares held by Ms. Mu as at the Announcement Date includes the 7,063,481 Shares of Ms. Mu from exercising Share Options, which are held through a CCASS custodian account administered by Computershare, and the 14,019,635 Shares corresponding to restricted share units under the Share Award Scheme, which are granted, vested and held in trust by Zedra Trust Company (Cayman) Limited for Ms. Mu. Ms. Mu proposes to make arrangements after the Announcement Date to obtain the legal title to such Shares, which may be held indirectly through investment vehicle(s). As at the Announcement Date, Ms. Mu is not interested in any Share Option with the exercise price of US\$0.18. As a result of the Internal Reorganisation and the above arrangements, Ms. Mu will in aggregate hold, directly or indirectly, 49,523,116 Shares (representing approximately 3.72% of the issued share capital of the Company) immediately upon completion of the Internal Reorganisation.
6. The number of Shares held by Mr. Jin as at the Announcement Date includes the 1,000,000 Shares of Mr. Jin from exercising Share Options, which are held through a CCASS custodian account administered by Computershare, and the 8,307,554 Shares corresponding to restricted share units under the Share Award Scheme, which are granted, vested and held in trust by Zedra Trust Company (Cayman) Limited for Mr. Jin. Mr. Jin proposes to make arrangements after the Announcement Date to obtain the legal title to such Shares, which may be held indirectly through investment vehicle(s). As at the Announcement Date, Mr. Jin is not interested in any Share Option with the exercise price of US\$0.18. As a result of the above arrangements, Mr. Jin will in aggregate hold, directly or indirectly, 9,307,554 Shares (representing approximately 0.70% of the issued share capital of the Company) immediately upon completion of the Internal Reorganisation.
7. Mr. Liu is presumed to be acting in concert with Mr. Zhou and Ms. Mu in accordance with class 1 of the definition of “acting in concert” under the Takeovers Code by virtue of holding 20% in Management Company, in which each of Mr. Zhou and Ms. Mu holds 60% and 20%, respectively. The number of Shares held by Mr. Liu as at the Announcement Date includes: (1) the 305,000 Shares of Mr. Liu from exercising Share Options, which are held through a CCASS custodian account administered by Computershare; and (2) the Shares to be issued assuming the 5,427,455 Share Options with the exercise price of US\$0.18 of Mr. Liu are exercised before the Announcement Date. As a result of the Internal Reorganisation and the above arrangements, Mr. Liu will in aggregate hold, directly or indirectly, 34,172,455 Shares (representing approximately 2.56% of the issued share capital of the Company) immediately upon completion of the Internal Reorganisation.

8. Management Company and its wholly-owned subsidiary P Holdings are presumed to be acting in concert with Mr. Zhou and Ms. Mu in accordance with class 1 of the definition of “acting in concert” under the Takeovers Code by virtue of Mr. Zhou and Ms. Mu’s holdings in them respectively. As at the Announcement Date, Management Company directly holds 142,199,998 Shares and indirectly holds 2 Shares through its wholly-owned subsidiary, P Holdings. Management Company is owned as to 60% by Mr. Zhou, 20% by Ms. Mu and 20% by Mr. Liu. It is proposed that the Internal Reorganisation will be conducted after the Announcement Date but before the Record Date, after which each of Mr. Zhou, Ms. Mu and Mr. Liu will hold, directly or indirectly, his or her interest in the Company independently (which are pro rata to their holdings in Management Company).
9. Other Optionholders include all the Optionholders other than Mr. Zhou, Ms. Mu, Mr. Jin and Mr. Liu. The number of Shares held by them as at the Announcement Date, included in the Shares held by the Disinterested Shareholders, includes: (1) the 1,739,948 Shares of them from exercising Share Options, which are held through a CCASS custodian account administered by Computershare; and (2) the Shares to be issued assuming all the 24,332,894 Share Options with the exercise price of US\$0.18 of them are exercised before the Announcement Date.
10. As at the Announcement Date, 58,780,904 Shares corresponding to restricted share units under the Share Award Scheme are granted, vested and held in trust by Zedra Trust Company (Cayman) Limited for employees of the Group being Disinterested Shareholders. For completeness, as at the Announcement Date, Zedra Trust Company (Cayman) Limited also holds 49,817,989 Shares in trust for the Executive Directors, which has been included in the holdings of the Executive Directors in this table (see Notes 3, 4, 5 and 6). According to the rules of the Share Award Scheme, Zedra Trust Company (Cayman) Limited may not exercise the voting rights in respect of such Shares. The relevant employees of the Group may have the Shares held by Zedra Trust Company (Cayman) Limited released to them during the offer period (as defined under the Takeovers Code).

As at the Announcement Date:

- (a) the issued share capital of the Company comprises 1,303,190,199 Shares and 209,229,386 Outstanding Share Options;
- (b) the Offeror does not legally and beneficially own, control or have direction over any Shares, the Executive Directors directly and indirectly hold in aggregate 87,046,793 Shares (representing approximately 6.68% of the issued share capital of the Company), and the Offeror Concert Parties hold in aggregate 142,505,000 Shares (representing approximately 10.94% of the issued share capital of the Company);
- (c) save as disclosed in paragraph (b) above and in the above shareholding tables, the Offeror Concert Parties do not legally and beneficially own, control or have direction over any Shares;

- (d) save as disclosed in the section headed “2. Terms of the Proposal – The Option Offer” and in the above shareholding tables, there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror, the Executive Directors or the Offeror Concert Parties;
- (e) none of the Offeror, the Executive Directors and the Offeror Concert Parties has entered into any outstanding derivative in respect of the securities in the Company; and
- (f) none of the Offeror, the Executive Directors and the Offeror Concert Parties has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

As at the Announcement Date, the Scheme Shares, comprising 1,303,190,199 Shares, represent 100% of the issued Shares.

As at the Announcement Date, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than its issued share capital of 1,303,190,199 Shares, the Share Options and the restricted share units granted under the Share Award Scheme.

CICC is the financial adviser to the Offeror in connection with the Proposal. Accordingly, CICC and relevant members of the CICC group which hold Shares on an own account or discretionary managed basis are presumed to be acting in concert with the Offeror in relation to the Company in accordance with class 5 of the definition of “acting in concert” under the Takeovers Code (except in respect of Shares held by members of the CICC group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code).

Details of holdings, borrowings or lendings of, and dealings in, the Shares, convertible securities, warrants, options or derivatives of the Company held by or entered into by other members of the CICC group (except in respect of Shares held by exempt principal traders or exempt fund managers or Shares held on behalf of non-discretionary investment clients of other parts of the CICC group) will be obtained as soon as possible after the Announcement Date in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be made by the Company if the holdings, borrowings, lendings, or dealings of the other members of the CICC group are significant and in any event, such information will be disclosed in the Scheme Document. The statements in this Announcement as to holdings, borrowings or lendings of, or dealings in, the Shares, convertible securities, warrants, options or derivatives of the Company by persons acting in concert with the Offeror are subject to the holdings, borrowings, lendings, or dealings (if any) of members of the CICC group. Exempt principal traders which are connected for the sole reason that they are under the same control as CICC are not presumed to be acting in concert with the Offeror. However, (i) Shares held by members of the CICC group acting in the capacity of exempt principal traders on behalf of other members of the CICC group (regardless of whether they are also exempt principal traders) will not be voted at the Court Meeting and the General Meeting, and (ii) Shares held by members of the CICC

group acting in the capacity of exempt principal traders on behalf of non-discretionary clients (other than members of the CICC group) will not be voted at the Court Meeting and the General Meeting unless the Executive allows such Shares to be so voted. Shares held by such exempt principal traders may, subject to consent of the Executive, be allowed to be voted at the Court Meeting and the General Meeting if (i) the relevant connected exempt principal trader holds the Shares as a simple custodian for and on behalf of non-discretionary clients, and (ii) there are contractual arrangements in place between the relevant connected exempt principal trader and its clients that strictly prohibit the relevant connected exempt principal trader from exercising any voting discretion over the relevant Shares, and all voting instructions originate from the client only (if no instructions are given, then no votes shall be cast for the relevant Shares held by the relevant connected exempt principal trader).

Any dealings in the Shares during the six months prior to 22 December 2020 (being the Announcement Date and the commencement of the offer period (as defined under the Takeovers Code)) and since the commencement of the offer period to the latest practicable date prior to the despatch of the Scheme Document by CICC group (excluding dealings in Shares by CICC group members who are exempt principal traders or exempt fund managers or dealings in the Shares by CICC group members for the account of non-discretionary investment clients of the CICC group) will be disclosed in the Scheme Document and pursuant to Rule 22 of the Takeovers Code.

Share Award Scheme

As at the Announcement Date, restricted share units representing 108,598,893 Shares (representing approximately 8.33% of the issued share capital of the Company) under the Share Award Scheme are granted, vested and held in trust by Zedra Trust Company (Cayman) Limited for the Executive Directors and other employees of the Group. According to the rules of the Share Award Scheme, Zedra Trust Company (Cayman) Limited may not exercise the voting rights in respect of such Shares and the relevant employees of the Group may have the Shares held by Zedra Trust Company (Cayman) Limited released to them during the offer period (as defined under the Takeovers Code). The Executive Directors propose to make arrangements after the Announcement Date to obtain the legal titles to 49,817,989 Shares of such Shares which they are entitled to, which may be held indirectly through investment vehicle(s).

5. FINANCIAL RESOURCES

On the assumption that (a) the Executive Directors and the IU Shareholders who have undertaken to elect the Share Alternative elect the Share Alternative, (b) all other Scheme Shareholders elect the Cash Alternative, (c) (i) all outstanding Share Options with an exercise price of US\$0.18 as at the Record Date are exercised and all the Optionholders of such Share Options become Scheme Shareholders on or before the Record Date and elect the Cash Alternative, and (ii) no further Shares are issued before the Record Date, and (d) all the Optionholders of outstanding Share Options with an exercise price of US\$0.5458, US\$0.7846

and HK\$7.50 respectively as at the Record Date (other than the Executive Directors who have indicated that they will not exercise the Outstanding Share Options held by them during the offer period (as defined under the Takeovers Code)) will accept the Option Offer and receive the nominal amount of HK\$0.01 for every 100 Share Options (or part thereof), the amount of cash required for the Proposal would be approximately HK\$1,251,509,036.

As at the Announcement Date, the Offeror is financing the entire cash amount required for the Proposal and the Option Offer from the CMB Facility for the Certain Funds Period.

The CMB Facility is secured by the following security package:

- (1) On the first drawdown date of the CMB Facility, (i) a charge over shares in SPV-Z, SPV-M and SPV-J held by the Executive Directors, and (ii) a charge over the Offeror Shares held by SPV-Z, SPV-M and SPV-J.
- (2) Within 5 working days after settlement of the Cash Alternative in full, (i) joint and several guarantee from the Company, PnR Network Technology (Shanghai) Co., Ltd. (匯付網絡技術(上海)有限公司), China PnR Co., Ltd. (匯付天下有限公司), Shanghai Payment and Remittance Data Service Co., Ltd. (上海匯付數據服務有限公司) and Furen Network Technology (Shanghai) Co., Ltd. (福仁網絡科技(上海)有限公司), and (ii) a charge over certain bank account(s) of one or more of the Company, Huifu (BVI) Limited · PnR Network Technology (Shanghai) Co., Ltd. (匯付網絡技術(上海)有限公司), China PnR Co., Ltd. (匯付天下有限公司), Shanghai Payment and Remittance Data Service Co., Ltd. (上海匯付數據服務有限公司), Shanghai Fuhui Network Technology Co., Ltd. (上海賦暉網絡技術有限公司) and/or Furen Network Technology (Shanghai) Co., Ltd. (福仁網絡科技(上海)有限公司).
- (3) Within 40 working days after the first drawdown date of the CMB Facility, (i) a charge over Shares held by the Offeror and (ii) account control agreements in respect of certain accounts opened by the Company, Shanghai Payment and Remittance Data Service Co., Ltd. (上海匯付數據服務有限公司), China PnR Co., Ltd. (匯付天下有限公司) and PnR Network Technology (Shanghai) Co., Ltd. (匯付網絡技術(上海)有限公司) with China Merchants Bank Co., Ltd., Shanghai Branch.
- (4) Within 90 working days after the first drawdown date of the CMB Facility, a charge over shares in PnR Network Technology (Shanghai) Co., Ltd.* (匯付網絡技術(上海)有限公司) held by the Company.

A copy of the CMB Facility will be available for inspection as a document on display at the time of despatch of the Scheme Document.

CICC, the financial adviser to the Offeror in connection with the Proposal, is satisfied that sufficient financial resources are available to the Offeror for satisfying its obligations in respect of the full implementation of the Proposal in accordance with their respective terms.

6. REASONS FOR, AND BENEFITS OF, THE PROPOSAL

For the Scheme Shareholders: an opportunity to realise their investment at a compelling premium

The Offeror is of the view that the terms of the Proposal are attractive to the Scheme Shareholders and the Proposal will be beneficial to the Scheme Shareholders in a number of ways.

1. Exit investments with limited liquidity

The Offeror notes that the trading liquidity of the Shares has been at a low level over a period of time. The average daily trading volume of the Shares for the three months up to and including the Last Trading Day was approximately 1,401,059 Shares per day, representing only approximately 0.11% of the issued Shares as at the Last Trading Day, which are partly caused by the lack of analyst coverage of the Company. The low trading liquidity of the Shares could make it difficult for the Scheme Shareholders to execute on-market sales of Shares without adversely affecting the market price of the Shares.

In this regard, the Offeror is of the view that the Proposal provides an opportunity for the Scheme Shareholders to realise their holdings of Shares with limited liquidity in return for cash.

2. Unlock value at a premium

The Offeror considers that the Proposal provides the Scheme Shareholders with an opportunity to realise their investment in the Company at a compelling premium over the prevailing market price of the Shares. The cash consideration of HK\$3.50 per Scheme Share under the Cash Alternative represents a premium of approximately 26.81% and 47.04% over the closing price of HK\$2.76 on the Last Trading Day and the average closing prices of HK\$2.38 for the 30 trading days up to and including the Last Trading Day, respectively.

3. Realise gains under the currently uncertain market conditions

The Offeror considers that the Proposal provides the Scheme Shareholders with an opportunity to realise their investments in the Company under the currently uncertain market conditions. Since 2018, the Hang Seng Index has shown an overall downward trend. As of the Last Trading Day, it has decreased by approximately 10.83%. After a number of recent political and economic events (including but not limited to the COVID-19 pandemic and Sino-US trade friction), the global market is now subject to further potential uncertainty.

4. Opportunity to continue to invest in the Company

The Offeror considers that the Proposal provides the Scheme Shareholders, through the election of Share Alternative, with an opportunity to remain invested in the Company's digital solution service platform focusing on omni-channel payment, subject to the risk factors of holding Offeror Shares as disclosed in the section headed "2. Terms of the Proposal – Cancellation Consideration – The Share Alternative".

For the Company: Reduce the administrative costs and management resources invested by the Company to maintain a listing platform that lacks financing capabilities

The Offeror considers that due to the low liquidity and the relative underperformance in the trading of the Shares, there will be difficulties to a certain extent for the Company to raise funds from public equity markets, which the Offeror believes is unlikely to see any significant improvement in the near term.

As such, the Offeror believes that the administrative costs and management resources associated with maintaining the Company's listing status are no longer justified. The Proposal will reduce such administrative costs and management resources invested by the Company to maintain a listing platform that lacks financing capabilities.

It is the intention of the Offeror that the Group will continue to carry on its current business, and the Offeror does not have specific plans to make any major changes to the business of the Group (including any redeployment of fixed assets of the Group) upon the successful delisting of the Company. After completion of the Proposal, the Offeror will continue to consider how to develop the Company in a manner which best enhances shareholder value and, in that regard, will consider growing its business as well as capital market opportunities which will be dependent on a number of factors including market conditions, legal and regulatory requirements and its business needs. The Offeror does not intend to re-list the Company in the PRC or on any other overseas stock exchanges or make any significant changes to the continued employment of the employees of the Group, except for staff movements which are part of normal conduct of business.

7. INFORMATION ON THE GROUP AND THE OFFEROR

The Group

The Company is a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange with the stock code 1806. The Group is a leading independent third-party payment service provider in the PRC, focusing on four business directions including integrated merchants acquiring, SaaS service, industry solution as well as cross-border and international business.

Offeror

The Offeror is an exempted company incorporated in the Cayman Islands with limited liability with effect from 17 November 2020. As at the Announcement Date, the entire issued share capital of the Offeror, comprising 300,000 Offeror Shares, is beneficially held as to approximately 70.7030%, 24.6620% and 4.6350% by Mr. Zhou, Ms. Mu and Mr. Jin through SPV-Z, SPV-M and SPV-J, respectively. As at the Announcement Date, the directors of the Offeror are the Executive Directors, who are also directors of the Company.

The Offeror has not carried on any business since incorporation other than matters in connection with the Proposal and the Scheme. The Offeror does not intend to engage in any business other than acting as the holding company of the Company after completion of the Proposal. As at the Announcement Date, the Offeror does not have any assets or liabilities other than the CMB Facility.

8. WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled (with the equivalent number of new Shares being issued as fully paid to the Offeror) and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect from the Effective Date.

The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares on the Stock Exchange and the day on which the Scheme and the withdrawal of the listing of Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme will be included in the Scheme Document, which will also contain, among other things, further details of the Scheme.

9. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

The Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1(a) of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with it) may within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses announce an offer or possible offer for the Company, except with the consent of the Executive.

If the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal, and the Scheme is not approved, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

10. OVERSEAS SHAREHOLDERS AND OPTIONHOLDERS

The making of the Proposal to the Scheme Shareholders and the Option Offer to Optionholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders and Optionholders are located.

Such Scheme Shareholders and Optionholders should inform themselves about and observe any applicable legal, tax or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders and overseas Optionholders, wishing to take an action in relation to the Proposal and Option Offer, respectively, to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with any other necessary formalities and the payment of any issue, transfer or other taxes in such jurisdiction.

Any acceptance by such Scheme Shareholders and Optionholders will be deemed to constitute a representation and warranty from such persons to the Company, the Offeror and their respective advisers (including CICC), that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the despatch of the Scheme Document to overseas Scheme Shareholders or overseas Optionholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Company or its Shareholders), the Scheme Document will not be despatched to such overseas Scheme Shareholders or overseas Optionholders. For that purpose, the Company may apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders or overseas Optionholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such overseas Scheme Shareholders and overseas Optionholders, as the case may be.

Scheme Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Proposal or the Option Offer. It is emphasised that none of the Offeror, the Company and CICC or any of their respective directors, officers or associates or any other person involved in the Proposal or the Option Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal or the Option Offer.

11. SCHEME SHARES, MEETING OF SCHEME SHAREHOLDERS AND EXTRAORDINARY GENERAL MEETING OF THE COMPANY

As at the Announcement Date, the Offeror does not hold any Shares. As the Offeror is not a Scheme Shareholder, the Offeror will not vote on the Scheme at the Court Meeting. The Offeror will undertake to the Grand Court that it will be bound by the Scheme, so as to ensure that it will be subject to the terms and conditions of the Scheme.

As at the Announcement Date, the Executive Directors hold directly or indirectly in aggregate 87,046,793 Shares (representing approximately 6.68% of the issued share capital of the Company). Such Shares will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective. The Executive Directors' votes at the Court Meeting will not be counted as votes of Disinterested Shareholders in determining whether the requirements under condition (1)(a) and (b) under the section headed "2. Terms of the Proposal – Conditions to the Proposal and the Scheme" (as required under Rule 2.10 of the Takeovers Code) are satisfied, and will only be counted as votes of Scheme Shareholders in determining whether the requirement in the first paragraph of condition (1) in the section headed "2. Terms of the Proposal – Conditions to the Proposal and the Scheme" (as required under Companies Act) is satisfied.

As at the Announcement Date, the Offeror Concert Parties hold in aggregate 142,505,000 Shares (representing approximately 10.94% of the issued share capital of the Company). Such Shares will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective. The Offeror Concert Parties' votes at the Court Meeting will not be counted as votes of Disinterested Shareholders in determining whether the requirements under condition (1)(a) and (b) under the section headed "2. Terms of the Proposal – Conditions to the Proposal and the Scheme" (as required under Rule 2.10 of the Takeovers Code) are satisfied, and will only be counted as votes of Scheme Shareholders in determining whether the requirement in the first paragraph of condition (1) in the section headed "2. Terms of the Proposal – Conditions to the Proposal and the Scheme" (as required under Companies Act) is satisfied.

All Shareholders will be entitled to attend the General Meeting and vote on (1) the special resolution to approve and give effect to the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled; and (2) the ordinary resolution to immediately thereafter increase the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par the new Shares, credited as fully paid, for issuance to the Offeror.

The Executive Directors have indicated that if the Scheme is approved at the Court Meeting, those Shares held by each of them will be voted in favour of the resolution(s) to be proposed at the General Meeting.

12. INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, which comprises the following non-executive Directors, Mr. LIU Jun, Mr. WANG Hengzhong and Mr. JIANG Hong who are not interested in the Proposal, has been established by the Board to make a recommendation: (a) to the Disinterested Shareholders as to whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and whether to vote in favour of the Scheme at the Court Meeting and the General Meeting; and (b) to the Optionholders as to whether the terms of the Option Offer are, or are not, fair and reasonable and whether to accept the Option Offer.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee comprises all non-executive Directors who have no direct or indirect interest in the Proposal and the Option Offer. As at the Announcement Date, each of Trixen Enterprises Ltd., Keytone and Bain Capital PnR Cayman Limited has given the Irrevocable Undertakings to exercise (or procure the exercise of) all voting rights attached to the Shares held or owned by it at the Court Meeting and the General Meeting in favour of all the resolutions to approve the Proposal and any matters in connection with the Proposal (where applicable). Accordingly, Mr. CHYE Chia Chow (a non-executive Director and a director of Trixen Enterprises Ltd.), Mr. ZHOU Joe (a non-executive Director and the managing partner of Keytone) and Ms. WANG Lihong (a non-executive Director nominated by Bain Capital PnR Cayman Limited) are excluded from the Independent Board Committee.

13. INDEPENDENT FINANCIAL ADVISER

The Company will appoint the Independent Financial Adviser (with the approval of the Independent Board Committee) to advise the Independent Board Committee in connection with the Proposal, the Scheme and the Option Offer after the Announcement Date. A further announcement will be made after the Independent Financial Adviser has been appointed.

14. DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, amongst others, further details of the Proposal, the Scheme, the Option Offer, the expected timetable, an explanatory statement as required under the Companies Act and the rules of the Grand Court, information regarding the Company, recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the Option Offer, the letter of advice from the Independent Financial Adviser, a notice of the Court Meeting, a notice of the General Meeting and other particulars required by the Takeovers Code, together with forms of proxy in relation thereto, will be despatched to the Shareholders and Optionholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Companies Act, the Grand Court and other applicable laws and regulations.

The Scheme Document will contain important information and the Scheme Shareholders and Optionholders are urged to read the Scheme Document containing such disclosures carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the General Meeting or accepting the Option Offer (as the case may be). Any voting, acceptance or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

15. DISCLOSURE OF DEALINGS

Associates of the Offeror and the Company (as defined in the Takeovers Code, including shareholders holding 5% or more of the relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of any of the Offeror and the Company) are hereby reminded to disclose their dealings in any securities of the Company and the Offeror under Rule 22 of the Takeovers Code during the offer period.

Save for dealings in the Shares by CICC which are conducted on a non-discretionary basis for and on behalf of its clients, none of the Offeror, the Executive Directors and the Offeror Concert Parties had any dealings for value in the Shares during the period commencing six months prior to the Announcement Date.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

16. PRECAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

This Announcement includes certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror and/or the Company (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this Announcement include statements about the expected effects on the Company of the Proposal and the Option Offer, the expected timing and scope of the Proposal and the Option Offer, and all other statements in this Announcement other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates”, “envisages” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the conditions to the Proposal and Option Offer, as well as additional factors, such as general, social, economic and political conditions in the countries in which the Offeror and/or the Group operate or other countries which have an impact on the Offeror and/or the Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Offeror and/or the Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Offeror and/or Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Offeror and/or Group operate and regional or general changes in asset valuations and disruptions or reductions in operations due to natural or man-made disasters, pandemics, epidemics, or outbreaks of infectious or contagious diseases such as the novel coronavirus. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, the Company or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as of the Announcement Date.

Any forward-looking statement contained in this Announcement based on past or current trends and/or activities of the relevant company should not be taken as a representation that such trends or activities will continue in the future. No statement in this Announcement is intended to be a profit forecast or to imply that the earnings of the relevant company for the current year or future years will necessarily match or exceed its historical or published earnings. Each forward-looking statement speaks only as at the date of the particular statement. Subject to the requirements of the Takeovers Code and other applicable laws and regulations, each of the Offeror and the Company expressly disclaims any obligation or undertaking to release publicly

any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions of circumstances on which any such statement is based.

17. GENERAL

The Offeror has appointed CICC as its financial adviser in connection with the Proposal.

The Directors (excluding members of the Independent Board Committee) believe that the terms of the Proposal are fair and reasonable and in the interests of the Shareholders as a whole.

Save for the Irrevocable Undertakings, no irrevocable commitment to vote for or against the Scheme has been received by the Offeror, the Executive Directors or the Offeror Concert Parties, as at the Announcement Date.

Save for the Proposal, there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the Shares or the Offeror Shares between the Offeror, the Executive Directors or any of the Offeror Concert Parties and any other person which might be material to the Proposal.

Save as disclosed in this Announcement, there are no agreements or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Proposal.

After reasonable enquiries that could be made by the Offeror prior to the issue of this Announcement and save as disclosed in this Announcement, the Offeror is not aware of any understanding, arrangement or agreement which has been determined to constitute a special deal (as defined under Rule 25 of the Takeover Code) between (i) any Shareholder of the Company; and (ii)(a) the Offeror, the Executive Directors and any Offeror Concert Parties or (b) the Company, its subsidiaries or associated companies.

The Executive Directors will enter into an Acting in Concert Agreement in relation to the managing of the Company before despatch of the Scheme Document, the details of which will be set out in the Scheme Document. Other than decisions should be made by reference to Mr. Zhou's views in the event of any disagreement among the Executive Directors, the Acting in Concert Agreement will not contain any provisions giving rights and privileges to any of the Executive Directors or any Shareholder. A copy of the Acting in Concert Agreement will also be available for inspection as a document on display at the time of despatch of the Scheme Document.

18. RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 18 December 2020 pending issuance of this Announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on the Stock Exchange with effect from 9:00 a.m. on 23 December 2020.

19. DEFINITIONS

In this Announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“acting in concert”	has the meaning ascribed to it in the Takeovers Code and “concert party” shall be construed accordingly
“Announcement”	this announcement issued by the Offeror and the Company
“Announcement Date”	22 December 2020, being the date of this Announcement
“associate”	has the meaning ascribed to it in the Takeovers Code
“Board”	the board of directors of the Company
“Cancellation Consideration”	the Cash Alternative or the Share Alternative
“Cash Alternative”	HK\$3.50 per Share in cash
“Certain Funds Period”	from the Announcement Date to the earlier of: (i) the full settlement of the Cancellation Consideration payable by the Offeror in respect of the Proposal; and (ii) the date on which the Proposal is withdrawn or lapses in accordance with its terms and the Takeovers Code
“CICC”	China International Capital Corporation Hong Kong Securities Limited, a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror in relation to the Proposal
“CMB Facility”	the loan facility up to the extent of HK\$1,300,000,000 (or equivalent in RMB) made available to the Offeror by China Merchants Bank Co., Ltd., Shanghai Branch

“Companies Act”	the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Huifu Payment Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1806)
“Computershare”	Computershare Hong Kong Investor Services Limited
“Conditions”	the conditions to the implementation of the Proposal and the Scheme as described in the section headed “2. Terms of the Proposal – Conditions to the Proposal and the Scheme” of this Announcement
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Director(s)”	the director(s) of the Company
“Disinterested Share(s)”	Shares in issue at the Record Date, other than those beneficially owned by the Offeror, the Executive Directors and the Offeror Concert Parties. For the avoidance of doubt, Disinterested Shares include Shares in issue at the Record Date which are held by any member of the CICC group on a non-discretionary and non-proprietary basis for and on behalf of its clients
“Disinterested Shareholder(s)”	the registered holder(s) of the Disinterested Shares. For the avoidance of doubt, the Disinterested Shareholders include any member of the CICC group acting in the capacity of an exempt principal trader or exempt fund manager for the purpose of the Takeovers Code
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Law
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate thereof
“Executive Directors”	Mr. Zhou, Ms. Mu and Mr. Jin

“exempt fund managers”	has the meaning ascribed to it in the Takeovers Code
“exempt principal traders”	has the meaning ascribed to it in the Takeovers Code
“General Meeting”	an extraordinary general meeting of the Company to be held promptly after the conclusion or adjournment of the Court Meeting in connection with the Proposal
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company, its subsidiaries and its operating entities
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company established by the Board to make a recommendation to the Disinterested Shareholders and the Optionholders in respect of the Proposal, the Scheme and the Option Offer
“Independent Financial Adviser”	the independent financial adviser to the Independent Board Committee in connection with the Proposal, the Scheme and the Option Offer
“Internal Reorganisation”	the internal reorganisation involving Management Company as detailed in the section headed “4. Shareholding Structure of the Company”
“Irrevocable Undertakings”	the irrevocable undertakings given by the IU Shareholders, each received by the Offeror on 22 December 2020 in respect of an aggregate of 828,738,505 Shares in favour of the Offeror
“IU Shareholders”	Trixen Enterprises Ltd., Keytone, Bain Capital PnR Cayman Limited, Bright Journey Investment Limited, Eight Roads Investments and Pacven Walden Ventures
“Keytone”	Keytone Ventures, L.P. and Keytone Ventures II, L.P., being limited partnerships formed under the laws of the Cayman Islands

“Last Trading Day”	17 December 2020, being the last trading day of Shares immediately before the suspension of trading in the Shares pending issuance of this Announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	30 June 2021 or such later date the Offeror may determine, subject to the consent of CICC (whose consent shall not be unreasonably withheld) and the permissions of the Grand Court and/or the Executive (as applicable)
“Management Company”	ChinaPnR Management Ltd., a business company incorporated in the British Virgin Islands with limited liability and one of the substantial shareholders of the Company holding approximately 10.91% of the issued share capital of the Company
“Mr. Jin”	Mr. Jin Yuan, an executive Director, the chief financial officer and a joint company secretary of the Company
“Mr. Liu”	Mr. Liu Gang, the holder of 20% of the issued shares of Management Company
“Ms. Mu”	Ms. Mu Haijie, an executive Director and the president of the Company
“Mr. Zhou”	Mr. Zhou Ye, an executive Director, the chairman of the Board and the chief executive officer of the Company
“New Share(s)”	new share(s) in the capital of the Offeror, to be issued pursuant to the Proposal as fully paid and will rank pari passu with all the shares of the Offeror currently in issue
“Offeror”	Purity Investment Limited, an exempted company incorporated in the Cayman Islands with limited liability with effect from 17 November 2020

“Offeror Concert Parties”	parties acting in concert or presumed to be acting in concert with any of the Offeror or the Executive Directors under the definition of “acting in concert” under the Takeovers Code (except in the capacity of an exempt principal trader or exempt fund manager for the purpose of the Takeovers Code), including but not limited to SPV-Z, SPV-M, SPV-J, Management Company, P Holdings and Mr. Liu
“Offeror Shares”	shares in the capital of the Offeror
“Option Offer”	the offer to be made by or on behalf of the Offeror to the holders of the Outstanding Share Options
“Optionholder(s)”	holder(s) of the Share Options
“Outstanding Share Option(s)”	the outstanding vested share option(s) granted under the Share Option Scheme from time to time
“P Holdings”	PnR Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands and a wholly-owned subsidiary of Management Company holding 2 Shares
“Pacven Walden Ventures”	Pacven Walden Ventures VI, L.P., Pacven Walden Venture Parallel VI, L.P. and Pacven Walden Venture Parallel VI-KT, L.P., being limited partnerships formed under the laws of the Cayman Islands
“PRC”	the People’s Republic of China (for the purpose of this Announcement, excluding Hong Kong, the Macao Special Administrative Region and the Republic of Taiwan)
“Proposal”	the proposal for the delisting of the Company by the Offeror by way of the Scheme and the Option Offer and the increase of the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares, and the withdrawal of the listing of the Shares from the Stock Exchange, on the terms and subject to the conditions set out in this Announcement
“Record Date”	the record date to be announced for determining entitlements of the Scheme Shareholders under the Scheme
“RMB”	Renminbi, the lawful currency of the PRC

“Scheme”	a scheme of arrangement to be proposed under Section 86 of the Companies Law involving the cancellation of all the Scheme Shares and the increase of the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares
“Scheme Document”	the composite scheme document to be issued by the Company and the Offeror containing, among other things, further details of the Proposal together with the additional information specified in the section headed “14. Despatch of Scheme Document” of this Announcement
“Scheme Share(s)”	Share(s) in issue on the Record Date held by the Shareholders
“Scheme Shareholder(s)”	the registered holder(s) of Scheme Shares as at the Record Date
“Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“Securities and Futures Commission”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Alternative”	2.709677 New Shares in the Offeror which will be credited as fully paid and ranking pari passu with other shares of the Offeror then in issue for every Scheme Share held
“Share Award Scheme”	the share award scheme of the Company approved by the Board on 16 August 2019
“Share Option(s)”	the share option(s) granted under the Share Option Scheme from time to time
“Share Option Scheme”	the pre-IPO share option scheme of the Company approved by the Board on 20 January 2018, which was established for the purpose of replacing, acknowledging and retrospectively the arrangements under the pre-IPO share option schemes of P Holdings, the holding company of the Group prior to its pre-IPO reorganisation, as approved by the board of directors of P Holdings on 16 September 2011, 12 December 2017 and 20 January 2018, respectively

“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Shares
“SPV-J”	Simplify Investment (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Mr. Jin
“SPV-M”	Ideal Investment (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Ms. Mu
“SPV-Z”	Infinite Investment (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Mr. Zhou
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers in Hong Kong
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“US”	United States of America
“US\$”	US dollar(s), the lawful currency of the US

By Order of the board of
Purity Investment Limited
JIN Yuan
Director

By Order of the board of
Huifu Payment Limited
ZHOU Ye
Chairman

* *English or Chinese translation, as the case may be, is for identification only*

Shanghai, the People’s Republic of China, 22 December 2020

As at the Announcement Date, the directors of the Offeror are Mr. ZHOU Ye, Ms. MU Haijie and Mr. JIN Yuan.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement (other than that relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Announcement (other than those expressed by directors of the Group (other than the Executive

Directors)) have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

As at the Announcement Date, the directors of the Company are Mr. ZHOU Ye, Ms. MU Haijie and Mr. JIN Yuan as executive directors, Mr. CHYE Chia Chow, Mr. ZHOU Joe and Ms. WANG Lihong as non-executive directors, and Mr. LIU Jun, Mr. WANG Hengzhong and Mr. JIANG Hong as independent non-executive directors.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement (other than that relating to the Offeror, the Executive Directors and the Offeror Concert Parties) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Announcement (other than those expressed by directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.