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ORIENTAL PAYMENT GROUP HOLDINGS LIMITED

東方支付集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8613)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE DISPOSAL OF
THE ENTIRE ISSUED SHARE CAPITAL OF
GLOBAL PRINCIPAL INVESTMENT LIMITED**

Financial adviser to the Company



Diligent Capital Limited

THE DISPOSAL

The Board is pleased to announce that, on 13 April 2023 (after trading hours), the Company entered into the Agreement with the Purchaser, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares, representing the total issued share capital of the Target Company, at a total cash consideration of HK\$1.

Upon Completion, the Group will no longer hold any interest in the Target Company and the Target Group will cease to be accounted as subsidiaries of the Company.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Disposal are more than 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

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

The Board is pleased to announce that, on 13 April 2023 (after trading hours), the Company entered into the Agreement with the Purchaser.

THE AGREEMENT

Principal terms of the Agreement are set out below.

Date : 13 April 2023

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

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Subject matter

Subject to the terms and conditions set forth in the Agreement, the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares.

Consideration

The consideration payable by the Company to the Purchaser for the sale and purchase of the Sale Shares shall be HK\$1.

The Consideration shall be satisfied by the Purchaser on the Completion Date by cash.

Basic for determination of the Consideration

The Consideration was determined after arm's length negotiations between the Company and the Purchaser on normal commercial terms after taking into account, without limitation, the unaudited consolidated net liabilities value of the Target Group as at 31 December 2022 of approximately HK\$3,804,000.

Taking into account the above, the Directors consider that the Consideration is fair and reasonable and on normal commercial terms or better and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

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

- (a) the Board having passed resolutions for approving, inter alia, (i) the Disposal, (ii) the execution of the Agreement and any other agreements in connection herewith; and (iii) the transactions contemplated hereunder and all matters incidental hereto;
- (b) the Company having obtained all other requisite consents, authorisations and approvals (or, as the case may be, the relevant waiver(s)), and completed all necessary applications, notifications, registrations and filings (if applicable) in connection with the entering into and performance of the terms of the Agreement and the transactions contemplated hereunder;
- (c) the Purchaser having completed, and to her satisfaction with the results of, the due diligence review conducted on the Target Group;
- (d) the representations, warranties, undertakings and guarantees from each of the Company and the Purchaser on all information in whatever medium provided to each other and its authorised representatives as set out in the Agreement are true, accurate and complete in all respects, and not misleading in any respect; and
- (e) there having been no material breach by each of the Company and the Purchaser of its/her obligations under the Agreement and/or any documents incidental to the Disposal, to which it/she is a part.

Neither the Company nor the Purchaser shall waive in whole or in part any of the above Conditions Precedent without the written consent of each other.

If any of the Conditions Precedent are not fulfilled (or waived by the parties to the Agreement, as the case may be) on or before the Completion Date, the Agreement (other than those clauses and provisions as set out in the Agreement and without prejudice to any other rights and remedies which any party to the Agreement may have in respect of any breach of the Agreements by any other party to the Agreement) shall automatically lapse and be of no further effect and none of the parties to the Agreement shall have any claim against the other under the Agreement, save for any claim arising from any antecedent breach of any obligation before the termination of the Agreement.

Completion

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

Upon Completion, the Group will no longer hold any interest in the Target Company and the Target Group will cease to be accounted as subsidiaries of the Company.

INFORMATION ON THE COMPANY AND THE GROUP

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

INFORMATION ABOUT THE TARGET COMPANY AND TARGET GROUP

The Target Company is a company incorporated in British Virgin Islands with limited liability and is principally engaged in investment holding and holding the interest of the Operating Subsidiary. The Operating Subsidiary is holding the interest of the PRC Subsidiary. As at the date of this announcement, the Target Company is wholly owned by the Company.

The Operating Subsidiary is a company incorporated in Hong Kong with limited liability and is principally engaged in environmental, social and governance (“ESG”) reporting services and ESG consultancy services. As at the date of this announcement, the Operating Subsidiary is wholly owned by the Target Company. The PRC Subsidiary is a dormant company and wholly owned by the Operating Subsidiary.

Financial information of the Target Group

Set out below is the unaudited consolidated financial performance of the Target Group for the period from 3 December 2020 (date of incorporation) to 31 March 2021, the year ended 31 March 2022 and the nine months ended 31 December 2022:

	For the nine months ended 31 December 2022 <i>HK\$'000</i> <i>(unaudited)</i>	For the year ended 31 March 2022 <i>HK\$'000</i> <i>(unaudited)</i>	For the period from 3 December 2020 (date of incorporation) to 31 March 2021 <i>HK\$'000</i> <i>(unaudited)</i>
Revenue	753	853	–
Loss before taxation for the period/year	2,433	993	643
Loss after taxation for the period/year	2,433	729	643

As at 31 December 2022, the unaudited consolidated net liabilities value of the Target Group was approximately HK\$3,804,000.

REASONS AND BENEFITS OF ENTERING INTO THE AGREEMENT

After published the Company's third quarterly report for the nine months ended 31 December 2022, the Board conducted a review on the Group's business operations and considered that although considerable effort has been put, the business of the Operating Subsidiary has been performing unsatisfactorily in the past years.

After careful consideration under the current difficult operating environment, the Board has come up with the decision to the Disposal. The Directors consider that the Disposal will enable the Group's resources to be more effectively allocated to and utilised by other business segments of the Group thereafter, which will be beneficial to the Group.

The terms of the Disposal were arrived at after arm's length negotiations between the parties to the Agreement. The Board is of the view that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the Company will cease to hold any interests in the Target Company and the Target Group will cease to be subsidiaries of the Company.

It is expected that the Group will record an unaudited gain on the Disposal of approximately HK\$3.8 million, which is calculated based on the total Consideration less (i) the unaudited consolidated net liabilities value of the Target Group at the date of the Agreement; and (ii) the related costs and expenses of the Group for the Disposal.

The abovementioned financial effects are shown for illustrative purpose only and the actual gain/loss eventually to be recognised in the consolidated financial statements of the Company, depends on, among other things, the review by the auditor of the Company, upon finalisation of the consolidated financial statements of the Group.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Disposal are more than 5% but all applicable percentage ratios are less than 25%, the Disposal constitute a discloseable transaction of the Company and is therefore subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

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

DEFINITIONS

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

“Agreement”	the conditional share sale agreement dated 13 April 2023 entered into between the Company and the Purchaser in relation to the Disposal
“Board”	board of Directors
“Business Day(s)”	a day (other than Saturday, Sunday or a public holiday) on which banks located in Hong Kong are open for business
“Company”	Oriental Payment Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM (stock code: 8613)

“Completion”	Completion of the Disposal in accordance with the Agreement
“Completion Date”	the date on which the Completion occurs in accordance with the Agreement
“Condition(s) Precedent”	condition(s) precedent to Completion as set out in the Agreement
“Consideration”	the consideration for the Disposal
“connected person(s)”	has the meaning as ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the sale of the Sale Shares by the Company to the Purchaser in accordance with the terms of the Agreement
“GEM”	GEM of the Stock Exchange
“GEM Listing Committee”	GEM Listing Committee of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) or entity(ies) who is/are third party(ies) independent of and not connected with the Company and its connected persons
“Operating Subsidiary”	Baylight Consulting Limited, a company incorporated in Hong Kong with limited liability
“PRC Subsidiary”	貝藍諮詢有限公司, a company incorporated in the People’s Republic of China
“Purchaser”	Ms. Li Tianyi
“Sale Share(s)”	100 ordinary shares of the Target Company held by the Company, representing the total issued share capital of the Target Company as at the date of this announcement

“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Global Principal Investment Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target Company, the Operating Subsidiary and the PRC Subsidiary
“%”	per cent

By order of the Board
Oriental Payment Group Holdings Limited
Mr. Tsang Chi Kit
Executive Director

Hong Kong, 13 April 2023

As at the date of this announcement, the Board comprises Mr. Tsang Chi Kit and Mr. Yu Chun Fai as executive Directors, Mr. Shiu Shu Ming as non-executive Director and Mr. Chung, Wai Chuen Alfred, Mr. Ng Ka Po and Ir Dr. Ng Yu Ki as independent non-executive Directors.

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

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its publication and on the website of the Company at www.ocg.com.hk.