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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 DISPOSALS OF
33% EQUITY INTERESTS IN ALLDEBIT PTE. LTD.**

THE DISPOSALS

The Board is pleased to announce that, on 18 November 2022 (after trading hours), the Company entered into the Agreements with the Purchasers, pursuant to which the Company has conditionally agreed to sell, and the Purchasers have conditionally agreed to acquire, the Sale Shares, representing an aggregate of 33% of the entire issued share capital of the Target Company, at a total cash consideration of HK\$2.

Upon Completion, the Group will no longer hold any interest in the Target Company and the Target Company will cease to be accounted as an associate 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 Disposals are more than 5% but all applicable percentage ratios are less than 25%, the Disposals 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 Disposals 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 18 November 2022 (after trading hours), the Company entered into the Agreements with the Purchasers.

THE AGREEMENTS

Principal terms of the Agreements are set out below.

Date : 18 November 2022

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

Save as the Purchaser A, who is currently a director of the Target Company and the Purchaser B, who is currently a director and chief executive officer of the Target Company, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Purchasers and its ultimate beneficial owners are Independent Third Parties.

Subject matter

Subject to the terms and conditions set forth in the Agreements, the Company has conditionally agreed to sell, and the Purchasers have conditionally agreed to acquire, the Sale Shares.

Pursuant to the Agreements, the Purchaser A has conditionally agreed to acquire Sale Shares A and the Purchaser B has conditionally agreed to acquire Sale Shares B.

Consideration

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

The Consideration shall be satisfied by the Purchasers 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 Purchasers on normal commercial terms after taking into account, without limitation, the unaudited net liabilities value of the Target Company as at 30 September 2022 of approximately SGD645,799 (equivalent to approximately HK\$3,541,885).

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

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 Disposals; (ii) the execution of the Agreements 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 Agreements and the transactions contemplated hereunder;
- (c) the Purchasers having completed, and to its satisfaction with the results of, the due diligence review conducted on the Target Company;
- (d) the representations, warranties, undertakings and guarantees from each of the Company and the Purchasers on all information in whatever medium provided to each other and its authorised representatives as set out in the Agreements 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 Purchasers of its obligations under the Agreements and/or any documents incidental to the Disposals, to which it is a part.

Neither party to the Agreements shall waive in whole or in part any of the above Conditions Precedent without the written consent of the other party.

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

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 Purchasers may mutually agree in writing.

Upon Completion, the Group will no longer hold any interest in the Target Company and the Target Company will cease to be accounted as an associate 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 ON THE PURCHASERS

The Purchaser A is a resident of the PRC and is a merchant, who is currently a director of the Target Company.

The Purchaser B is a resident of Singapore and is a merchant, who is currently a director and the chief executive officer of the Target Company.

INFORMATION ABOUT THE TARGET COMPANY

The Target Company is a company incorporated in Singapore with limited liability and is principally engaged in the business of development of e-commerce applications, specifically for online alternative payment and settlement and development of software and programmes, specifically software solution and internet content development.

As at the date of this announcement, the Target Company is owned as to 33.5% by the Purchaser A, as to 33.5% by the Purchaser B and as to 33% by the Company.

Financial information of the Target Company

Set out below is the unaudited financial performance of the Target Company for the two years ended 30 June 2022 and the unaudited financial performance for the three months ended 30 September 2022:

	For the three months ended 30 September 2022 SGD (unaudited)	For the years ended 30 June 2022 2021 SGD SGD (unaudited) (unaudited)	
Revenue	86,509	352,303	426,997
Loss for the period/year	173,300	629,157	706,663

As at 30 September 2022, the unaudited net liabilities value of the Target Company was approximately SGD645,799 (equivalent to approximately HK\$3,541,885).

REASONS AND BENEFITS OF ENTERING INTO THE AGREEMENTS

After published the Company's interim report for the six months ended 30 September 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 Target Company has been performing unsatisfactorily in the past years, which indicated an impairment loss on the Group's investment. After careful consideration under the current difficult operating environment, the Board has come up with the decision to the Disposals.

The Directors consider that the Disposals 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 Disposals were arrived at after arm's length negotiations between the parties to the Agreements. The Board is of the view that the terms of the Agreements 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 DISPOSALS

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

It is expected that the Group will record an unaudited loss on the Disposals of approximately HK\$30,000, which is calculated based on the total Consideration less (i) the unaudited carrying amount of the interest in the Target Company as at 30 September 2022 which is nil; and (ii) the related costs and expenses of the Group for the Disposals.

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 Disposals are more than 5% but all applicable percentage ratios are less than 25%, the Disposals 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 Disposals 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:

“Agreements”	the conditional share sale agreements dated 18 November 2022 entered into between the Company and the Purchasers in relation to the Disposals
“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, whose Shares are listed on GEM with stock code: 8613
“Completion”	Completion of the Disposals in accordance with the Agreements
“Completion Date”	the date on which the Completion occurs in accordance with the Agreements
“Condition(s) Precedent”	condition(s) precedent to Completion as set out in the Agreements
“Consideration”	the aggregate consideration for the Disposals
“connected person(s)”	has the meaning as ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Disposals”	the sale of the Sale Shares by the Company to the Purchasers in accordance with the terms of the Agreements
“GEM”	GEM 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
“Purchaser(s)”	collectively, Purchase A and Purchaser B
“Purchaser A”	Ms. Jiang Zhengyan
“Purchaser B”	Mr. Tham Kar Wai Derrick (Tan Jiawei Derrick)
“SGD”	Singapore dollars, the lawful currency of Singapore
“Sale Shares A”	117,975 ordinary shares of the Target Company held by the Company, representing 16.5% of the total issued share capital of the Target Company as at the date of this announcement
“Sale Shares B”	117,975 ordinary shares of the Target Company held by the Company, representing 16.5% of the total issued share capital of the Target Company as at the date of this announcement
“Sale Share(s)”	collectively, Sale Shares A and Sale Shares B
“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”	Alldebit Pte. Ltd., a company incorporated in Singapore with limited liability
“%”	per cent

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

Hong Kong, 18 November 2022

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.