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## **SUPPLEMENTAL AGREEMENT IN RELATION TO FURTHER EXTENSION OF LONG STOP DATE**

This is a voluntary announcement made by China Innovationpay Group Limited (the “**Company**”). Reference is made to the following announcements of the Company:

- (i) the announcement dated 28 March 2017 in relation to, among others, the Acquisition, the SM Placing and the Whitewash Waiver (“**Announcement**”);
- (ii) the announcement dated 8 April 2017 in relation to, among others, the continuing connected transactions;
- (iii) the announcement dated 11 April 2017 in relation to the formation of the Independent Board Committee and the appointment of Independent Financial Adviser;
- (iv) the announcements dated 26 April 2017, 31 May 2017, 30 June 2017, 31 August 2017, 22 September 2017, 10 October 2017, 24 October 2017 and 31 October 2017 in relation to the delay in despatch of the Circular (“**Delay in Despatch Announcements**”);
- (v) the announcement dated 9 June 2017 in relation to the entering into of the Supplemental Agreement (“**Supplemental Agreement Announcement**”);
- (vi) the announcement dated 10 July 2017 in relation to the extension of the long stop date of the Sale and Purchase Agreement;

(vii) the announcements dated 28 July 2017 and 15 August 2017 in relation to the update on the status of, among others, the Acquisition, the SM Placing and the Whitewash Waiver; and

(viii) the announcement dated 11 October 2017 in relation to the payment of additional earnest money in relation to the Sale and Purchase Agreement (“**Earnest Money Announcement**”).

Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement and the Supplemental Agreement Announcement.

Pursuant to the Sale and Purchase Agreement, completion of the Acquisition is conditional upon the fulfillment of the conditions precedent to the Sale and Purchase Agreement on or before 31 October 2017 (the “**Long Stop Date**”). Since additional time is required for fulfillment of certain conditions precedent, on 31 October 2017, the Company, the Sellers and the Target Company entered into a supplemental agreement (“**Supplemental Agreement**”) agreeing to extend the Long Stop Date to 31 December 2017.

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

Save and except for the extension of the Long Stop Date and the Return Period as stated above, all other terms and conditions of the Sale and Purchase Agreement (as supplemented by the supplemental agreements dated 9 June 2017, 10 July 2017 and 1 October 2017) shall remain unchanged and continue in full force and effect.

As stated in the Delay in Despatch Announcements, it was the intention of the Company to despatch the Circular no later than 31 December 2017. The Company has applied to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code by extending the despatch date of the Circular to no later than 31 December 2017 and the Executive has indicated that it is minded to grant consent to such waiver application.

**As each of Completion and SM Placing Completion is subject to fulfillment or waiver (as the case may be) of the conditions precedent to each the Sale and Purchase Agreement and the SM Placing Agreement respectively, the Acquisition and the SM Placing may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.**

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

Hong Kong, 31 October 2017

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

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

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

*This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting and on the Company’s website at [www.innovationpay.com.hk](http://www.innovationpay.com.hk).*