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## **CONTINUING CONNECTED TRANSACTIONS – LOAN AGREEMENT REVISION OF EXISTING ANNUAL CAPS**

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 (“**CCT Announcement**”);
- (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;
- (vi) the announcements dated 10 July 2017 and 31 October 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.

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

As stated in the CCT Announcement, on 8 April 2017, the Company entered into the Loan Agreement with Youzan, pursuant to which the Company conditionally agreed to grant to Youzan an unsecured loan facility up to HK\$200,000,000 (inclusive of the principal loan amount and interest) and subject to the terms and conditions set out therein From the Loan Effective Date until 31 December 2019 (“**Term**”). The proposed annual caps in respect of the transactions contemplated under the Loan Agreement for each of the three years ending 31 December 2019 was HK\$200,000,000, HK\$200,000,000 and HK\$200,000,000 respectively (“**Annual Caps**”).

Due to the delay in the despatch of the Circular, the Company and Youzan entered into a supplemental agreement to the Loan Agreement (“**Supplemental Loan Agreement**”) pursuant to which the parties agree to (i) revise the Term to being from the Loan Effective Date to 31 December 2020; and (ii) revise the Annual Caps to HK\$160,000,000, HK\$200,000,000 and HK\$200,000,000 for each of the three years ending 31 December 2020 respectively. The revised annual caps are determined with reference to, among others, the current business plan of Youzan Group.

As one or more applicable percentage ratio(s) (as defined in Rule 19.07 of the GEM Listing Rules) (other than the profits ratio) with respect to the transactions contemplated under the Loan Agreement (as supplemented by the Supplemental Loan Agreement) is more than 5% and the annual caps in respect of the transactions contemplated under the Loan Agreement (as supplemented by the Supplemental Loan Agreement) are expected to be more than HK\$10,000,000, the transactions contemplated under the Loan Agreement (as supplemented by the Supplemental Loan Agreement) will be subject to the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

The Company will seek approval from the Independent Shareholders for the Loan Agreement (as supplemented by the Supplemental Loan Agreement) and the proposed annual caps thereto at the SGM. As stated in the Delay in Despatch Announcements, a circular containing, among other matters, (i) further information on the Loan Agreement (as supplemented by the Supplemental Loan Agreement); (ii) a letter from the Independent Board Committee; (iii) a letter from the Independent Financial Adviser; and (iv) the notice convening the SGM and a form of proxy will be despatched to the Shareholders on or before 31 December 2017.

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

Hong Kong, 29 November 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).*