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## **CHANGE OF COMPOSITION OF INDEPENDENT BOARD COMMITTEE**

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 announcements dated 8 April 2017 and 29 November 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 (“**IBC Announcement**”);
- (iv) the announcement dated 4 August 2017 in relation to, among others, the appointment of an independent non-executive Director and the suspension of duties of an independent non-executive Director (“**Change of INED Announcement**”);
- (v) 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**”);
- (vi) the announcement dated 9 June 2017 in relation to the entering into of the Supplemental Agreement;

- (vii) 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;
- (viii) 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
- (ix) 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 Change of INED Announcement.

As stated in the IBC Announcement, the Independent Board Committee comprising Dr. Fong Chi Wah, Mr. Wang Zhongmin and Mr. Gu Jiawang, being all the independent non-executive Directors, has been formed on 11 April 2017 to advise the Independent Shareholders in connection with (i) the Acquisition (including but not limited to the grant of the Specific Mandate for the allotment and issue of the Consideration Shares); (ii) the Whitewash Waiver; (iii) the Third Party Payment Services Framework Agreement and the transactions contemplated thereunder; (iv) the proposed annual caps in respect of the transactions contemplated under the Third Party Payment Services Framework Agreement; (v) the Loan Agreement and the transactions contemplated thereunder; and (vi) the proposed annual caps in respect of the transactions contemplated under the Loan Agreement.

As stated in the Change of INED Announcement, Mr. Xu has been appointed as an independent non-executive Director with effect from 4 August 2017. On the other hand, the Board was unable to contact Mr. Wang, an independent non-executive Director, by all possible means of communication since 9 June 2017. Since Mr. Wang has not been able to discharge his duties as an independent non-executive Director, the Board passed a resolution on 4 August 2017 to suspend the duties of Mr. Wang as an independent non-executive Director with immediate effect until further notice.

In view of the above, the Board wishes to inform the Shareholders that (i) Mr. Xu is appointed as a member of the Independent Board Committee; and (ii) Mr. Wang is removed as a member of the Independent Board Committee, each with effect from 21 December 2017. As such, the Independent Board Committee now comprises Mr. Xu, Dr. Fong Chi Wah and Mr. Gu Jiawang, each of them being an independent non-executive Director.

The Company is still in the course of handling the enquiries from the SFC and updating and finalising, among others, the financial information, the letter from the Independent Financial Adviser and the independent valuation report to be included in the Circular. As stated in the Delay in Despatch Announcements, the Company intends to despatch the Circular no later than 31 December 2017.

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

Hong Kong, 21 December 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).*