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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Financial adviser to the Company



Diligent Capital Limited

THE SUBSCRIPTION

The Board announces that on 19 July 2023, the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Company has conditionally agreed to issue to the Subscribers, and the Subscribers have conditionally agreed to subscribe for, the Subscription Shares, being a total of 38,540,000 new Shares.

The Subscription Shares will be allotted and issued by the Company to the Subscribers under the General Mandate.

As at the date of this announcement, the Company has 1,859,566,667 Shares in issue. Assuming that there will be no change to the total issued share capital of the Company between the date of this announcement and the Completion Date, the Subscription Shares represent (i) approximately 2.07% of the existing total issued share capital of the Company as at the date of this announcement; and (ii) approximately 2.03% of the total issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after the Completion.

Completion is conditional upon and subject to the fulfilment of the Conditions Precedent. If any of the Conditions Precedent is not fulfilled on or before the Long Stop Date, the Subscription Agreements will lapse and become null and void and the parties to the Subscription Agreements will be released from all obligations thereunder, save for the liabilities for any antecedent breaches thereof.

The gross proceeds from the Subscription amount to approximately HK\$5.90 million, while the net proceeds from the Subscription are estimated to be approximately HK\$5.85 million after deducting the estimated expenses for the Subscription. The Company intends to apply the net proceeds from the Subscription for general working capital purpose.

An application will be made by the Company to the Stock Exchange for the grant of listing of, and permission to deal in, the Subscription Shares.

GENERAL

As Completion is conditional upon fulfilment of the Conditions Precedent as set out in the paragraphs headed “Conditions Precedent” below, the Subscription may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

THE SUBSCRIPTION

On 19 July 2023, the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Company has conditionally agreed to issue to the Subscribers, and the Subscribers have conditionally agreed to subscribe for, the Subscription Shares.

The Subscription Agreements

Principal terms and conditions of the Subscription Agreements are summarised as follows:

- Date: 19 July 2023
- Parties: (1) the Company; and
(2) the Subscribers.

As at the date of this announcement, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Subscriber A, the Subscriber B and its ultimate beneficial owners are Independent Third Parties.

Subscription

Subject to the fulfilment of the Conditions Precedent and the terms and conditions of the Subscription Agreements, the Company agreed to allot and issue to the Subscribers, and the Subscribers agreed to subscribe for, the Subscription Shares, being a total of 38,540,000 new Shares, representing approximately 2.07% of the total issued share capital of the Company as at the date of this announcement.

Number of Subscription Shares

As at the date of this announcement, the Company has a total of 1,859,566,667 Shares in issue. Assuming that there will be no other changes to the total issued share capital of the Company between the date of this announcement and the Completion Date, the Subscription Shares represent (i) approximately 2.07% of the existing total issued share capital of the Company as at the date of this announcement; and (ii) approximately 2.03% of the total issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after the Completion.

The aggregate nominal value of the Subscription Shares will be HK\$385,400.

The Subscription Shares, when issued and fully paid up, shall rank pari passu in all respects and inter se and with all other Shares then in issue.

An application will be made by the Company to the Stock Exchange for the grant of listing of, and permission to deal in, the Subscription Shares.

Subscription Price

The Subscription Price of HK\$0.153 per Subscription Shares represents:

- (i) a discount of approximately 14.53% to the closing price of HK\$0.179 per Share as quoted on the Stock Exchange on 18 July 2023, being the last trading day immediately preceding the date of the Subscription Agreements; and
- (ii) a discount of approximately 13.27% to the average closing price of HK\$0.1764 per Share as quoted on the Stock Exchange for the five trading days immediately preceding the date of the Subscription Agreements.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscribers with reference to, among other matters, the prevailing market price and the recent trading volume of the Shares.

Taking into account the estimated expenses for the Subscription of approximately HK\$50,000, comprising fees, costs, charges and expenses of the Subscription, the net price of each Subscription Share amounts to approximately HK\$0.152 per Subscription Share.

Conditions Precedent

Completion shall be subject to the fulfilment of the following conditions:

- (a) the GEM Listing Committee shall have granted (either unconditionally or subject only to conditions to which neither the Company nor the Subscribers shall reasonably object) the listing of, and permission to deal in, the Subscription Shares;
- (b) the Company and the Subscribers shall have complied with all the requirements under the GEM Listing Rules in connection with the Subscription and the approval of the Board shall have been obtained; and
- (c) any other necessary approvals, consents and/or waivers by the relevant governmental or regulatory authorities or bodies or such other third parties as may be required by applicable laws, rules or regulations for the Subscription shall have been obtained.

If any of the Conditions Precedent is not fulfilled on or before the Long Stop Date, the Subscription Agreements will lapse and become null and void and the parties to the Subscription Agreements will be released from all obligations and liabilities thereunder, save for the liabilities for any antecedent breaches thereof.

As at the date of this announcement, save and except for Condition Precedent (a) which has yet to be satisfied, all other aforesaid Conditions Precedent have been fulfilled.

Completion

Subject to the fulfilment of the Conditions Precedent, Completion shall take place on the Completion Date, at such place and at such time as the Company and the Subscribers may agree, and each party to the Subscription Agreements shall perform its obligations in relation to the Completion as set out in the Subscription Agreements.

Without prejudice to any other remedies available to either the Company or the Subscribers, if the requirements set out in the Subscription Agreements are not complied with in any respect by either the Company or the Subscribers on the Completion Date, the non-defaulting party may:–

- (a) proceed to the Completion so far as practicable and in any case without prejudice to its rights under the Subscription Agreements; or
- (b) postpone the Completion to a date (being a Business Day) falling not more than 30 days after the date set for the Completion in accordance with the Subscription Agreements; or
- (c) rescind the Subscription Agreements without liability to the non-defaulting party whereupon and from such date the provisions of the Subscription Agreements (other than the confidentiality provision which shall remain in full force and effect) shall have no effect and no party to the Subscription Agreements shall have any liability under them (without prejudice to the rights of either party to the Subscription Agreements in respect of any antecedent breach of any provisions of the Subscription Agreements).

General Mandate to allot and issue the Subscription Shares

The Subscription Shares will be allotted and issued by the Company to the Subscribers under the General Mandate, pursuant to which the Directors are authorised to allot, issue and otherwise deal with up to 240,000,000 Shares, representing 20% of the total number of issued Shares as at the annual general meeting of the Company held on 30 September 2022 approving, among other matters, the granting of the General Mandate.

As at the date of this announcement, 57,100,000 Shares out of the General Mandate has not been utilized by the Company. Accordingly, the Subscription is not subject to the approval of the Shareholders.

Reasons for the Subscription and intended use of proceeds by the Company

The Directors are of the view that despite the existing cash resources held by the Group, it would be desirable for the Group to raise and reserve sufficient cash for satisfying the imminent cash flows needs of the Group in a timely manner with view to strengthening the financial position of the Group and for its general working capital so as to accommodate the operating cashflow needs. Therefore, the Directors considered that the Subscription represents a good opportunity for the Group to achieve the aforesaid purposes.

In addition, the Directors consider that the Subscription offers a good opportunity to raise further capital in a relatively cost-effective and time efficient manner in support of its need in business operation. The Directors also consider that the terms of the Subscription Agreements (including but not limited to the Subscription Price) are fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Subscription amount to approximately HK\$5.90 million, while the net proceeds from the Subscription are estimated to be approximately HK\$5.85 million after deducting the estimated expenses for the Subscription. The Company intends to apply the net proceeds from the Subscription for general working capital purpose.

Fund raising activities of the Company in the past 12 months

The Company has conducted the following equity fund raising activities in the past 12 months immediately preceding the date of this announcement:

Date of announcements	Fund raising activity	Net proceeds (approximate)	Intended use of proceeds as announced	Actual use of proceeds as at the date of this announcement
7 October 2022, 21 October 2022 and 2 November 2022	Placing of new Shares under general mandate	HK\$14.30 million	Repayment of part of the Group's current debt, where to the extent that any part of the net proceeds is not applied for such purpose, such proceeds are intended to be applied for general working capital of the Group and/or any investment opportunities in payment related business as identified by the Group from time to time.	(i) approximately HK\$2.6 million has been applied for repayment of current debt; (ii) approximately HK\$11.2 million has been applied for general working capital; and (iii) approximately HK\$0.5 million has been applied for investment opportunities in payment related business.
21 December 2022, 22 December 2022 and 10 January 2023	Subscription of new Shares under general mandate	HK\$4.65 million	Repayment of part of the Group's current debt, where to the extent that any part of the net proceeds is not applied for such purpose, such proceeds are intended to be applied for general working capital of the Group and/or any investment opportunities in payment related business as identified by the Group from time to time	(i) approximately HK\$4.16 million has been applied for general working capital; and (ii) with the remaining to be used as intended.

Save as disclosed above, the Company has not conducted any fund-raising activities in the past twelve months immediately prior to the date of this announcement.

Effect on the shareholding structure of the Company

As at the date of this announcement, none of the conversion rights attaching to the Convertible Bonds have been exercised by the holders of the Convertible Bonds and therefore none of the Convertible Bonds have been converted into the Shares.

As at the date of this announcement, the Company has 1,859,566,667 Shares in issue. The table below sets out, for the purpose of illustration only, the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after Completion (assuming that there will be no other change to the total issued share capital of the Company between the date of this announcement and the Completion Date and none of the Convertible Bonds have been converted into the Shares in accordance with its terms thereof); (iii) immediately after Completion and upon conversion of all the Convertible Bonds in full (assuming that there will be no other change to the total issued share capital of the Company between the date of this announcement and the Completion Date):

	As at the date of this announcement		Immediately after Completion (assuming that there will be no other change to the total issued share capital of the Company between the date of this announcement and the Completion Date and none of the Convertible Bonds have been converted into the Shares in accordance with its terms thereof)		Immediately after Completion and upon conversion of all the Convertible Bonds in full (assuming that there will be no other change to the total issued share capital of the Company between the date of this announcement and the Completion Date)	
	Number of Shares	Approximate shareholding percentage	Number of Shares	Approximate shareholding percentage	Number of Shares	Approximate shareholding percentage
Shareholders						
Mobile Technology Holdings Limited ("MTHL") (Note 1)	476,666,667	25.63%	476,666,667	25.11%	476,666,667	23.35%
Metagate Investment SPC ("Metagate") (Note 2)	304,460,000	16.37%	304,460,000	16.04%	381,585,316	18.69%
Mr. Choy Hok Man ("Mr. Choy") (Note 2)	19,880,000	1.07%	19,880,000	1.05%	86,004,684	4.21%
Gold Track Ventures Limited ("Gold Track") (Note 3)	200,000,000	10.76%	200,000,000	10.54%	200,000,000	9.80%
Straum Investments Limited ("Straum Investments") (Note 4)	138,000,000	7.42%	138,000,000	7.27%	138,000,000	6.76%
Rainbow Elite International Limited ("Rainbow Elite") (Note 5)	91,000,000	4.89%	91,000,000	4.79%	91,000,000	4.46%
Best Practice Limited ("Best Practice") (Note 6)	41,000,000	2.20%	41,000,000	2.16%	41,000,000	2.01%
Mr. Tsang Chi Kit ("Mr. Tsang") (Note 3)	4,880,000	0.26%	4,880,000	0.26%	4,880,000	0.24%
The Subscribers						
- The Subscriber A	27,100,000	1.46%	33,640,000	1.77%	33,640,000	1.65%
- The Subscriber B	-	-	32,000,000	1.69%	32,000,000	1.57%
Sub-total	27,100,000	1.46%	65,640,000	3.46%	65,640,000	3.22%
Other public Shareholders	556,580,000	29.93%	556,580,000	29.32%	556,580,000	27.27%
Total	1,859,566,667	100.00%	1,898,106,667	100.00%	2,041,356,667	100.00%

Notes:

1. As at the date of this announcement, these 476,666,667 Shares were held by MTHL.
2. As at the date of this announcement, pursuant to the disclosure of interest notice filed by Metagate on 16 June 2023, these 304,460,000 Shares were held by Metagate, which is in turn wholly-owned by Rainbow Capital Limited (“**Rainbow Capital**”). As at the date of this announcement, Rainbow Capital is ultimately and beneficially wholly-owned by Mr. Choy. Accordingly, each of Rainbow Capital and Mr. Choy is deemed to be interested in such 304,460,000 Shares held by Metagate pursuant to Part XV of the SFO.
3. As at the date of this announcement, 4,880,000 Shares were directly held by Mr. Tsang, an executive Director and the managing director of the Group and 200,000,000 Shares were held by Gold Track, which was in turn wholly-owned by Mr. Tsang. Accordingly, Mr. Tsang was deemed to be interested in such 200,000,000 Shares held by Gold Track pursuant to Part XV of the SFO.
4. As at the date of this announcement, these 138,000,000 Shares were held by Straum Investments which is in turn wholly-owned by Mr. Yu Chun Fai (“**Mr. Yu**”), an executive Director. Accordingly, Mr. Yu is deemed to be interested in such 138,000,000 Shares held by Straum Investments pursuant to Part XV of the SFO. On the other hand, Ms. Choi Hiu Wa is the wife of Mr. Yu and hence Ms. Choi Hiu Wa is deemed to be interested in such 138,000,000 Shares due to the interest of her spouse (i.e. Mr. Yu) pursuant to Part XV of the SFO.
5. As at the date of this announcement, these 91,000,000 Shares were held by Rainbow Elite which is in turn wholly-owned by Mr. Lam Hak Ha, Jasper (“**Mr. Lam**”). Accordingly, Mr. Lam is deemed to be interested in such 91,000,000 Shares held by Rainbow Elite pursuant to Part XV of the SFO.
6. As at the date of this announcement, pursuant to the disclosure of interest notice filed by Best Practice on 16 March 2022, these 41,000,000 Shares have been pledged to Best Practice pursuant to the loan agreement dated 14 March 2022 entered into between an Independent Third Party as chargor and Best Practice as lender. As at the date of this announcement, Best Practice is wholly-owned by Mr. Shiu Shu Ming (“**Mr. Shiu**”) who is a non-executive Director. Accordingly, Mr. Shiu is deemed to be interested in such 41,000,000 Shares due to the security interest in those Shares acquired from such Independent Third Party pursuant to Part XV of the SFO.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is an investment holding company. The Group is principally engaged in merchant acquiring business in Thailand.

INFORMATION ON THE SUBSCRIBERS

The Subscriber A is a Hong Kong resident and is a businessman.

The Subscriber B is a company incorporated in Hong Kong with limited liability which is principally engaged in international shipping business and financial investment. As at the date of this announcement, the Subscriber B is owned as to 60% by Mr. Kwai Sze Hoi and 40% by Ms. Cheung Wai Fung.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Subscriber A, Subscriber B and its ultimate beneficial owners are Independent Third Parties.

GENERAL

As the Completion is conditional upon fulfilment of the Conditions Precedent as set out in the paragraphs headed “Conditions Precedent” below, the Subscription may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases shall have the following meanings:

“Board”	board of Director(s)
“Business Day(s)”	any day(s) on which banks in Hong Kong are generally open for business (other than a Saturday, Sunday, public holiday or any day on which a tropical cyclone warning No.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
“Company”	Oriental Payment Group Holdings Limited (東方支付集團控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM (with stock code: 8613)
“Completion”	completion of the Subscription in accordance with the Subscription Agreements
“Completion Date”	a date falling within five (5) Business Days following the date on which all the Conditions Precedent are fulfilled (or such other date as the Company and the Subscribers may mutually agree in writing)
“Condition(s) Precedent”	condition(s) precedent to Completion as set out in the Subscription Agreements
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules

“Convertible Bonds”	the interest-bearing convertible bond(s) issued by the Company on 26 June 2020 in an aggregate principal amount of HK\$11,850,000, where a maximum of 143,250,000 Shares shall fall to be allotted and issued upon exercise of the Conversion Rights by the holders of the Convertible Bonds in full
“Director(s)”	director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors to allot, issue and otherwise deal with up to 240,000,000 Shares, representing 20% of the total number of the issued Shares as at the annual general meeting of the Company held on 30 September 2022
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or entity(ies) who is/are third party(ies) independent of, and not connected with the Company and any of its respective connected persons
“Long Stop Date”	9 August 2023 (or such other date as the Company and the Subscribers may mutually agree in writing)
“PRC”	the People’s Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Share(s)”	ordinary share(s) of nominal or par value of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively Subscriber A and Subscriber B

“Subscriber A”	Mr. Wu Yao
“Subscriber B”	Ocean Line Holdings Limited, a company incorporated in Hong Kong with limited liability
“Subscription”	the subscription of the Subscription Shares by the Subscribers pursuant to the Subscription Agreements
“Subscription Agreement(s)”	the subscription agreements dated 19 July 2023 entered into between the Company and the Subscribers in respect of the Subscription
“Subscription Price”	HK\$0.153 per Subscription Share
“Subscription Shares”	an aggregate of 38,540,000 new Shares to be subscribed by the Subscribers under the Subscription Agreements
“%”	per cent.

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

Hong Kong, 19 July 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” 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.