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ORIENTAL PAYMENT GROUP

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 CONVERTIBLE BONDS UNDER GENERAL MANDATE

THE SUBSCRIPTION

The Board announces that on 15 October 2024, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, the Convertible Bonds in an aggregate principal amount of HK\$3,120,000 at the Conversion Price of HK\$0.14 per Conversion Share.

The Conversion Shares will be allotted and issued by the Company to the Subscriber under the General Mandate.

As at the date of this announcement, the Company has 1,898,106,667 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 upon the full conversion of the Convertible Bonds, the Conversion Shares represent (i) approximately 1.17% of the existing total issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.16% of the total issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

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

An application will be made by the Company to the Stock Exchange for the grant of listing of, and permission to deal in, the Conversion 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 15 October 2024, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, the Convertible Bonds.

The Subscription Agreement

The principal terms and conditions of the Subscription Agreement are summarised as follows:

Date : 15 October 2024

Parties : (1) the Company; and
(2) the Subscriber.

As of the date of this announcement, to the best of the Directors’ knowledge, information, and belief, the Subscriber and its ultimate beneficial owners are Independent Third Parties.

Subject matter

Subject to the fulfillment of the Conditions Precedent and the terms and conditions of the Subscription Agreement, the Subscriber shall subscribe for, and the Company shall issue to the Subscriber, the Convertible Bonds in an aggregate principal amount of HK\$3,120,000.

According to the Subscription Agreement, the Subscriber is entitled to settle the Subscription Amount as to (i) HK\$1,440,594 by setting it off against the Indebted Amount; and (ii) HK\$1,679,406 by cash payable by the Subscriber to the Company on Completion. Upon the allotment and issue of the Convertible Bonds at Completion, the Subscriber shall enter into a deed of settlement of debt to discharge the repayment obligation of the Company for the Indebted Amount with immediate effect.

Terms and conditions of the Convertible Bonds

Issuer: The Company

Principal Amount: HK\$3,120,000

Interest: The Convertible Bonds shall bear 7% per annum interest coupons, which is payable annually, for each anniversary year of issue, in arrear.

- Maturity Date:** 14 October 2025, which is the date falling on the first anniversary from the date of issue of the Convertible Bonds
- Redemption upon maturity:** All outstanding principal amount of the Convertible Bonds which have not been redeemed or converted in accordance with the terms and conditions of the Convertible Bonds by the Maturity Date will be automatically redeemed by the Company on the Maturity Date at a redemption amount equal to 100% of the principal amount of such Convertible Bond(s), unless the Subscriber request for full conversion of its Convertible Bonds
- The Convertible Bonds cannot be redeemed at the option of the Company before the Maturity Date.
- Conversion Price:** HK\$0.14, such Conversion Price shall be from time to time be subject to adjustment in accordance with the terms and conditions of the Convertible Bonds.
- Conversion Shares:** In respect of the exercise of conversion rights, the number of Shares determined by dividing (a) the aggregate principal amount of the relevant Convertible Bonds to be converted by (b) the Conversion Price in effect on the relevant conversion date, and rounding down the resulting number of Shares, if necessary, to the nearest whole number.
- Assuming the conversion rights attaching to the Convertible Bonds are exercised in full at the Conversion Price of HK\$0.14, a maximum of 22,285,714 Conversion Shares will be allotted and issued, representing (i) approximately 1.17% of the existing issued shares of the Company as at the date of this announcement, and (ii) approximately 1.16% of the issued shares of the Company as enlarged by the allotment and issue of the Conversion Shares.
- Conversion period:** The holders of the Convertible Bonds shall have the right, in the manner provided in the terms and conditions of the Convertible Bonds, to convert the whole or any part of the outstanding principal amount of their Convertible Bonds into Shares at any time following the date of issue of the Convertible Bonds until the date before (and excluding) the Maturity Date at the conversion price.
- Voting:** The holders of the Convertible Bonds will be entitled to receive notices of but will not be entitled to attend or vote at any meetings of the Company by reason only of being a holder of the Convertible Bonds.
- Transferability:** The Convertible Bonds may not be transferred by the holders of the Convertible Bonds, without the prior written consent of the Company, to any connected person (as defined in the GEM Listing Rules) of the Company.

Ranking of Conversion Shares: The Shares issued upon conversion shall rank pari passu in all respects with all other existing Shares outstanding at the Conversion Date and the holder of the Convertible Bonds shall be entitled in respect of its Conversion Shares to all dividends and other distributions the record date of which falls on a date on or after the Conversion Date.

Application for listing: No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

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

Conversion Price

The Conversion Price of HK\$0.14 per Conversion Shares represents:

- (i) a premium of approximately 16.67% over the closing price of HK\$0.12 per Share as quoted on the Stock Exchange on 15 October 2024, being the date of the Subscription Agreement; and
- (ii) a premium of approximately 27.97% over the average closing price of HK\$0.1094 per Share as quoted on the Stock Exchange for the five trading days immediately preceding the date of the Subscription Agreement.

The Conversion Price was determined after arm's length negotiations between the Company and the Subscriber with reference to, among other matters, the prevailing market price of the Shares.

Taking into account the estimated expenses for the Subscription of approximately HK\$20,000, comprising fees, costs, charges and expenses of the Subscription, the net price of each Conversion Share amounts to approximately HK\$0.1391 per Conversion Share.

Conditions Precedent

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

- (a) the GEM Listing Committee of the Stock Exchange shall have granted (either unconditionally or subject only to conditions to which neither the Company nor the Subscriber shall reasonably object) to the listing of, and permission to deal in, the Conversion Shares;
- (b) the deed of settlement entered into between the Company and the Subscriber in relation to the settlement of the Indebted Amount by the Company to the Subscriber having been executed and come into effect;
- (c) the Company and the Subscriber 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

- (d) 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 Agreement will lapse and become null and void and the parties to the Subscription Agreement 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) and (b) 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 Subscriber may agree, and each party to the Subscription Agreement shall perform its obligations in relation to Completion as set out in the Subscription Agreement.

Without prejudice to any other remedies available to either the Company or the Subscriber, if the requirements set out in the Subscription Agreement are not complied with in any respect by either the Company or the Subscriber 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 Agreement; 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 Agreement; or
- (c) rescind the Subscription Agreement without liability to the non-defaulting party whereupon and from such date the provisions of the Subscription Agreement (other than the confidentiality provision which shall remain in full force and effect) shall have no effect and no party to the Subscription Agreement shall have any liability under them (without prejudice to the rights of either party to the Subscription Agreement in respect of any antecedent breach of any provisions of the Subscription Agreement).

GENERAL MANDATE TO AND ALLOT AND ISSUE THE CONVERSION SHARES

The Conversion Shares will be allotted and issued by the Company to the Subscriber under the General Mandate, pursuant to which the Directors are authorised to allot, issue and otherwise deal with up to 379,621,333 Shares, representing 20% of the total number of issued Shares as at the AGM approving, among other matters, the granting of the General Mandate.

As at the date of this announcement, none of the Shares has been allotted and issued under General Mandate. Accordingly, the Subscription is not subject to the approval of the Shareholders.

REASONS AND BENEFITS FOR THE SUBSCRIPTION

The outstanding Indebted Amount of US\$184,691.60 is arising in the period from June 2024 to October 2024. The Company and the Subscriber have agreed to refinance the Indebted Amount by issuing Convertible Bonds. The Company believe that it will help to maintain a positive relationship with the Subscriber, enabling the Group to continue receiving support for its bCode operation.

In addition to the Indebted Amount, the Directors have also expressed their view that the Group should raise and reserve enough cash to fulfill its upcoming cash flow needs promptly. This would strengthen the Group's financial position and provide for its general working capital requirements to accommodate operating cash flow needs.

The Directors believe that the Subscription are an excellent opportunity for the Group to achieve these goals. Furthermore, the Directors also see the Subscription as a cost-effective and time-efficient way to raise additional capital to support the Group's business operations. The Directors also consider that the terms of the Subscription Agreement (including but not limited to the Conversion Price) are fair and reasonable, and the Subscription are in the interests of the Company and the Shareholders as a whole.

FUNDRAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fundraising activities in the past twelve months immediately preceding the date of this announcement:

Date of announcements	Fundraising activity	Net proceeds (approximate)	Intended use of proceeds as announced	Actual use of proceeds as at the date of this announcement
16 February 2024 and 5 March 2024	Subscription of convertible bonds under general mandate	HK\$4,388,000	Offset the amount of payables	Fully offset as intended.
20 March 2024, 9 May 2024, 17 May 2024 and 27 May 2024	Subscription of convertible bonds under general mandate	HK\$2,829,000	Offset the amount of payables and general working capital	Fully offset and utilised as intended.

Save as disclosed above, the Company has not conducted any other equity fundraising activities in the past twelve months immediately preceding the date of this announcement.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; (ii) upon full conversion of the Convertible Bonds (assuming that there will be no other change to the total issued share capital of the Company between the date of this announcement and upon the full conversion of the Convertible Bonds and none of the Existing Convertible Bonds have been converted into the Shares in accordance with its terms thereof) (“**Scenario 1**”); and (iii) upon full conversion of the Convertible Bonds and the Existing Convertible Bonds (assuming that there will be no other change to the total issued share capital of the Company between the date of this announcement) (“**Scenario 2**”):

Shareholders	As at the date of this announcement		Scenario 1		Scenario 2 (Note 6)	
	Number of Shares	Approximate shareholding percentage	Number of Shares	Approximate shareholding percentage	Number of Shares	Approximate shareholding percentage
Mobile Technology Holdings Limited (“ MTHL ”) (Note 1)	476,666,667	25.11%	476,666,667	24.82%	476,666,667	22.13%
Metagate Investment SPC (“ Metagate ”) (Note 2)	304,460,000	16.04%	304,460,000	15.85%	404,328,590	18.77%
Mr. Choy Hok Man (“ Mr. Choy ”) (Note 2)	19,880,000	1.05%	19,880,000	1.04%	105,504,011	4.90%
Gold Track Ventures Limited (“ Gold Track ”) (Note 3)	200,000,000	10.54%	200,000,000	10.41%	200,000,000	9.29%
Mr. Tsang Chi Kit (“ Mr. Tsang ”) (Note 3)	4,880,000	0.26%	4,880,000	0.25%	4,880,000	0.23%
Straum Investments Limited (“ Straum Investments ”) (Note 4)	138,000,000	7.27%	138,000,000	7.19%	138,000,000	6.41%
The Subscriber (Note 5)	–	–	22,285,714	1.16%	64,537,213	3.00%
Other public Shareholders	754,220,000	39.73%	754,220,000	39.28%	760,038,750	35.27%
Total	<u>1,898,106,667</u>	<u>100.00%</u>	<u>1,920,392,381</u>	<u>100.00%</u>	<u>2,153,955,231</u>	<u>100.00%</u>

Notes:

- As at the date of this announcement and based on the information provided by MTHL to the Company, the share capital of MTHL consists of three classes of securities: Class A (two votes for each share held), Class 1B and Class 2B (one vote for each share held). As at the Latest Practicable Date, there are 177,360,000 Class A Shares in issue, 199,999,999 Class 2B Shares in issue and 1 Class 1B Share in issue. As regards the distribution of the Class A Shares, approximately 67.66% (i.e., 120,000,000 Class A Shares) of the total issued Class A Shares are ultimately and beneficially held by Mr. David Kenneth Ehrlich; and the remaining approximately 32.34% of the total issued Class A Shares are held by nine shareholders with each of them holding less than 10%. As regards the distribution of the Class 2B Shares, approximately 29.50% (i.e., 59,000,000 Class 2B Shares) of the total issued Class 2B Shares are owned by Mr. Hamad Abdulla S H Al-Mana; approximately 8.35% (i.e., 16,699,999 Class 2B Shares) of the total issued Class 2B Shares are owned by Mr. David Kenneth Ehrlich; and the remaining approximately 62.15% of the total Class 2B Shares are held by six shareholders with each of them hold less than 20%.

2. As at the date of this announcement, pursuant to the disclosure of interest notice filed by Metagate on 5 January 2024, 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 Securities and Futures Ordinance (“**SFO**”) as at the date of this announcement.
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 is in turn wholly owned by Mr. Tsang. Accordingly, Mr. Tsang is deemed to be interested in such 200,000,000 Shares held by Gold Track pursuant to Part XV of the SFO as at the date of this announcement.
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**”). 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 (“**Ms. Choi**”) is the wife of Mr. Yu and hence Ms. Choi 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 as at the date of this announcement.
5. The Subscriber subscribed for Existing Convertible Bonds B and Existing Convertible Bonds D as at the date of this announcement, assuming the conversion rights attaching to both Existing Convertible Bonds B and D are exercised in full, a maximum number of 42,251,499 conversion shares would be allotted and issued. For more details, please refer to the Company’s announcement dated 16 February 2024, 5 March 2024, 20 March 2024, 17 May 2024 and 27 May 2024.
6. This scenario is assumed that there will be no other change to the total issued share capital of the Company between the date of this announcement and upon the full conversion of the Convertible Bonds and the Existing Convertible Bonds and that no interest of the Existing Convertible Bonds A would be settled and paid to the Bondholders between the date of this announcement and the new maturity date of the Existing Convertible Bonds A (i.e. the date falling upon the expiry of four years and six months from the date on which the Existing Convertible Bonds A are issued, or if such date is not a Business Day, the immediate preceding Business Day) without taking into account any default interest accrued after the said new maturity date (for particulars, please refer to the Company’s announcement dated 2 January 2024 and circular dated 21 February 2024).

INFORMATION ABOUT THE GROUP

The Company is an investment holding company that, together with its subsidiaries, is principally engaged in providing comprehensive payment processing services to merchants in Thailand and the Philippines.

INFORMATION ABOUT THE SUBSCRIBER

The Subscriber is a California-based limited liability company wholly owned by Mr. Benjamin Lu. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner is Independent Third Party.

GENERAL

As Completion is conditional upon fulfilment of the Conditions Precedent as set out in the paragraphs headed “Conditions Precedent” above, 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:

“AGM”	the annual general meeting held by the Company on 26 July 2024
“Board”	board of Director(s)
“Bondholders”	holder(s) of the Existing Convertible Bonds
“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, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM of the Stock Exchange (with stock code: 8613)
“Completion”	completion of the Subscription in accordance with the Subscription Agreement
“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 Subscriber may mutually agree in writing)
“Condition(s) Precedent”	condition(s) precedent to Completion as set out in the Subscription Agreement
“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
“Conversion Date”	the date on which the Subscriber exercises its/his conversion rights by delivering to the principal place of business of the Company a written notice stating its/his intention to convert, together with the Convertible Bonds certificate
“Conversion Price”	HK\$0.14 per Conversion Share, subject to adjustments in accordance with the terms and conditions of the Convertible Bonds

“Conversion Share(s)”	the Share(s) which may be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds
“Convertible Bonds”	the convertible bonds in the aggregate principal amount of HK\$3,120,000 issued by the Company and subscribed by the Subscriber pursuant to the Subscription Agreement
“Director(s)”	director(s) of the Company
“Existing Convertible Bonds A”	the interest-bearing convertible bonds issued by the Company on 26 June 2020 in aggregate principal amount of HK\$11,850,000
“Existing Convertible Bonds B”	the interest-bearing convertible bonds issued by the Company on 5 March 2024 in aggregate principal amount of HK\$4,388,000
“Existing Convertible Bonds C”	the interest-bearing convertible bonds issued by the Company on 22 May 2024 in aggregate principal amount of HK\$931,000
“Existing Convertible Bonds D”	the interest-bearing convertible bonds issued by the Company on 28 May 2024 in aggregate principal amount of HK\$1,918,309
“Existing Convertible Bonds”	collectively Existing Convertible Bonds A, Existing Convertible Bonds B, Existing Convertible Bonds C and Existing Convertible Bonds D
“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 379,621,333 Shares, representing 20% of the total number of the issued Shares as at the date of the AGM
“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
“Indebted Amount”	the amount of payables (arising in the period from June 2024 to October 2024) by the Company due to the Subscriber of US\$184,691.60 (equivalent to approximately HK\$1,440,594)

“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”	14 December 2024 (or such other date as the Company and the Subscriber may mutually agree in writing)
“Maturity Date”	the date falling on the first anniversary from the date of issue of the Convertible Bonds, or if such date is not a Business Day, the immediate preceding Business Day (i.e., 14 October 2025)
“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
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Blu Venture Partners, LLC
“Subscription”	the subscription of the Convertible Bonds by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 15 October 2024 entered into between the Company and Subscriber in respect of the Subscription
“Subscription Amount”	HK\$3,120,000, being the aggregate principal amount of the Convertible Bonds
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 15 October 2024

The Board comprises Mr. Tsang Chi Kit as an executive Director, Mr. Shiu Shu Ming as a non-executive Director, Ir Dr. Ng Yu Ki and Mr. Tong Tsz Kwan 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.