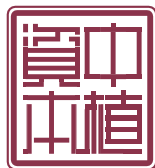


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## **ZZ CAPITAL INTERNATIONAL LIMITED**

**中植資本國際有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 08295)**

### **DISCLOSEABLE TRANSACTION ASSIGNMENT OF LOAN AGREEMENT AND SECURITY DOCUMENT**

#### **THE ASSIGNMENT**

On 31 March 2020 (after trading hours), the Assignor, an indirect wholly-owned subsidiary of the Company, entered into the Assignment and Assumption Deed with the Assignee, pursuant to which the Assignor has agreed to assign, and the Assignee has agreed to accept the assignment of, the Assignor's right, title, benefits and interests in and to all of the Assigned Assets and the Assignee has agreed to assume all of the Assumed Obligations at a settlement amount of US\$28,000,000 (equivalent to approximately HK\$218,400,000). Completion of the Assignment took place on 31 March 2020.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the Assignment exceed 5% but are less than 25%, the Assignment constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under the GEM Listing Rules.

Reference is made to the announcements of the Company dated 7 September 2017 in connection with the entering into of the Loan Agreement and 8 March 2019 in connection with the Borrower's default in the repayment of the principal amount of the Loan Facility, with interest in the aggregate sum of approximately US\$34,100,000 (equivalent to approximately HK\$265,980,000) when it fell due on 7 March 2019 according to the Loan Agreement. As at the date of this announcement, the aggregate amount owed by the Borrower to the Assignor, an indirect wholly-owned subsidiary of the Company, under the Loan Agreement, including the outstanding principal, interest and default interest, was approximately US\$36,640,000 (equivalent to approximately HK\$285,792,000).

## THE ASSIGNMENT

On 31 March 2020 (after trading hours), the Assignor entered into the Assignment and Assumption Deed with the Assignee, pursuant to which the Assignor has agreed to assign, and the Assignee has agreed to accept the assignment of, the Assignor's right, title, benefits and interests in and to all of the Assigned Assets and the Assignee has agreed to assume all of the Assumed Obligations at a settlement amount of US\$28,000,000 (equivalent to approximately HK\$218,400,000). Completion of the Assignment took place on 31 March 2020.

## THE ASSIGNMENT AND ASSUMPTION DEED

The principal terms of the Assignment and Assumption Deed are set out as follows:

<b>Date</b>	31 March 2020 (after trading hours)
<b>Parties</b>	<p>Assignor: ZZCI Corporate Services Limited 中植資本企業服務有限公司, an indirect wholly-owned subsidiary of the Company</p> <p>Assignee: Dragon Ocean Development Ltd. 海龍發展有限公司</p> <p>To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Assignee and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.</p>
<b>Subject matter</b>	The Assignor has agreed to assign, and the Assignee has agreed to accept the assignment of, the Assignor's right, title, benefits and interests in and to all of the Assigned Assets and the Assignee has agreed to assume all of the Assumed Obligations.
<b>Settlement Amount</b>	<p>US\$28,000,000 (equivalent to HK\$218,400,000), which shall be paid by the Assignee to the Assignor by cash on or before the Payment Date, i.e. the date that falls three (3) calendar months after completion of the Assignment, being 30 June 2020.</p> <p>The Settlement Amount was determined after arm's length negotiations between the Assignor and the Assignee, having considered (1) the outstanding principal and interests owed by the Borrower under the Loan Agreement, (2) the possibility of the recovery of the Loan Facility and the interests thereon, (3) the significant time and costs that are expected to be incurred by the Group if the Assignor takes legal action against the Borrower to enforce the Loan Agreement and the Security Document and (4) the current global circumstances and uncertainties in the economic outlook.</p> <p>The Board is of the view that the Settlement Amount is fair and reasonable and on normal commercial terms and that the entering into of the Assignment and Assumption Deed is in the interests of the Company and the Shareholders as a whole.</p>

**Completion of  
the Assignment**

Completion of the Assignment took place on 31 March 2020.

**Default Interest**

If the Assignee does not pay to the Assignor the Settlement Amount in full on the Payment Date, interest shall accrue on the Settlement Amount from the Payment Date up to the date of actual payment at a rate of 15% per annum.

**REASONS FOR AND BENEFITS OF THE ASSIGNMENT AND USE OF PROCEEDS**

On 7 March 2019, the Loan Facility fell due and the Borrower had defaulted on the repayment of the principal amount and the payment of the interest in an aggregate amount of approximately US\$34,100,000 (equivalent to approximately HK\$265,980,000). Since the Borrower's default, the Group has been in various discussions with the Borrower as to the repayment of the principal amount and the payment of the interest and default interest under the Loan Agreement. As at the date of this announcement, the aggregate amount owed by the Borrower to the Assignor under the Loan Agreement, including the outstanding principal, interest and default interest, was approximately US\$36,640,000 (equivalent to approximately HK\$285,792,000). The Assignment, which was entered into with a party not originally involved in the Loan Agreement, provides for a one-off solution to the Group to recover a large portion of the long outstanding amount owed under the Loan Agreement. The Assignment allows the Group to mitigate losses and protect its interests in connection with the default by the Borrower. It is intended that the proceeds from the Assignment will be used as general working capital of the Group and/or for expanding and diversifying the Group's business operations.

Having regard to the reasons for and benefits of the Assignment, the Board is of the view that the Assignment and the terms of the Assignment and Assumption Deed, which have been reached after arm's length negotiations between the parties, and the transactions contemplated thereunder are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

**FINANCIAL EFFECTS OF THE ASSIGNMENT**

As at 30 September 2019, the Loan was accounted for as loan receivable at fair value through profit or loss in the Company's consolidated financial statements with an unaudited carrying value of approximately US\$21,200,000 (equivalent to approximately HK\$165,360,000). The fair value gain on the Loan for the year ended 31 March 2018 was approximately US\$903,000 (equivalent to approximately HK\$7,043,000) and the fair value loss on the Loan for the year ended 31 March 2019 was approximately US\$10,503,000 (equivalent to approximately HK\$81,923,000).

Subject to the review of the Company's auditors, based on the Settlement Amount of US\$28,000,000 and the unaudited carrying value of the Loan of approximately US\$21,200,000 (equivalent to approximately HK\$165,360,000) as at 30 September 2019, the Company is expected to recognise a gain of approximately US\$7,550,000 (equivalent to approximately HK\$58,890,000), after taking into account the partial repayment under the Loan Agreement by the Borrower after 30 September 2019, and excluding expenses and tax impact, arising from the Assignment.

## **INFORMATION OF THE COMPANY AND THE ASSIGNOR**

The principal activity of the Company is investments holding. Its subsidiaries are principally engaged in investment holding, provision of corporate advisory services, investment advisory and asset management services, proprietary investments and money lending.

The Assignor is a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company. Its principal activities are the provision of corporate services to group companies and engagement in proprietary investments.

## **INFORMATION OF THE ASSIGNEE**

The Assignee is a company incorporated in the British Virgin Islands. It is principally engaged in the acquisition and disposal of assets and/or shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Assignee and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the Assignment exceed 5% but are less than 25%, the Assignment constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under the GEM Listing Rules.

To the best of the Board's knowledge, information and belief having made all reasonable enquiries, no Director has a material interest in the Assignment and Assumption Deed and the transactions contemplated thereunder, and no Director has abstained from voting on the board resolutions approving the Assignment and Assumption Deed and the transactions contemplated thereunder.

## **DEFINITIONS**

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Assignee”	Dragon Ocean Development Ltd. 海龍發展有限公司, a company incorporated in the British Virgin Islands with limited liability, a third party independent of the Company and its connected persons
“Assigned Assets”	all of the rights and benefits of the Assignor under or in respect of the Loan Facility and Security Document assigned by the Assignor to the Assignee pursuant to the Assignment and Assumption Deed
“Assignment”	the assignment of the Assigned Assets and the assumption of the Assumed Obligations pursuant to the Assignment and Assumption Deed
“Assumed Obligations”	all of the Assignor's obligations (if any) under or in respect of the Loan Agreement and the Security Document
“Assignment and Assumption Deed”	an assignment and assumption deed dated 31 March 2020 entered into between the Assignor and the Assignee in relation to the Assignment

“Assignor”	ZZCI Corporate Services Limited 中植資本企業服務有限公司, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Borrower”	Geoswift Holding Limited, the borrower under the Loan Agreement and a company incorporated in the British Virgin Islands
“Company”	ZZ Capital International Limited 中植資本國際有限公司, an exempted company incorporated in the Cayman Islands on 5 January 2010 with limited liability and the Shares of which are listed on GEM (Stock Code: 08295)
“connected person(s)”	has the meaning given to it in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the rules governing the listing of securities on GEM made by The Stock Exchange of Hong Kong Limited
“Geopay”	Geopay Holding Limited, a subsidiary of the Borrower and a company incorporated in the Cayman Islands, whose principal activity is investment in Fintech businesses
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Loan”	the Assigned Assets and the Assumed Obligations
“Loan Agreement”	the loan agreement dated 7 September 2017 entered into between the Assignor and the Borrower in respect of the Loan Facility
“Loan Facility”	a term loan facility in the principal amount of US\$31,000,000 made available under the Loan Agreement
“Payment Date”	30 June 2020
“Security Document”	the security agreement over shares dated 7 September 2017 entered into between the Assignor (as chargee) and the Borrower (as chargor) in respect of the grant of a first ranking charge over 3,053 ordinary shares of Geopay by the Borrower in favour of the Assignor
“Settlement Amount”	US\$28,000,000 (equivalent to approximately HK\$218,400,000)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent

*For the purpose of this announcement, only the amounts in US\$ was converted into HK\$ at the exchange rate of US\$1 to HK\$7.80, where appropriate, for the purposes of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at the above rate or at any other rates or at all.*

By Order of the Board  
**ZZ Capital International Limited**  
中植資本國際有限公司  
**NIU Zhanbin**  
Chairman

Hong Kong, 31 March 2020

*As at the date of this announcement, the executive Directors are Mr. NIU Zhanbin (Chairman), Mr. JIANG Yulin (Chief Executive Officer) and Mr. WU Hui (Chief Operating Officer); the non-executive Director is Mr. FU Chi King Johnson; and the independent non-executive Directors are Mr. Stephen MARKSCHEID, Mr. ZHANG Weidong and Mr. ZHANG Longgen.*

*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 website of GEM at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication and on the website of the Company at [www.zzcapitalinternational.com](http://www.zzcapitalinternational.com).*