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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)

**CONNECTED TRANSACTION IN RELATION TO
THE PROPOSED THIRD AMENDMENTS
TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



元庫證券有限公司
Silverbricks Securities Company Limited
Silverbricks Securities Company Limited

**THE THIRD ADDENDUM TO THE TERMS AND CONDITIONS OF THE
CONVERTIBLE BONDS**

The Board announces that on 2 January 2024 (after trading hours), the Company executed the Third Addendum to amend and/or alter the CB Terms and Conditions with a view to giving effect to (i) further extension of the maturity date of the Convertible Bonds for a period of one year; (ii) adjust the interest rate accrued on the principal amount of outstanding Convertible Bonds payable by the Company to 12% per annum; (iii) charge a Default Interest on any overdue principal and accrued interest of the outstanding Convertible Bonds payable by the Company; and (iv) adjust the conversion price of the Convertible Bonds to HK\$0.088 per Conversion Share. The Third Addendum and the CB Terms and Conditions (as amended by the Third Addendum) shall take effect subject to the fulfilment of the Conditions Precedent.

Save for the Proposed Third Amendments as provided under the Third Addendum, all other terms and conditions of the Convertible Bonds shall remain unchanged and the outstanding Convertible Bonds shall remain in full force, validity and effect in accordance with the terms set out therein.

The Proposed Third Amendments as provided under the Third Addendum shall apply to the Convertible Bonds outstanding as at the date on which the CB Terms and Conditions becomes effective or unconditional (to the extent that the outstanding balance of the Convertible Bonds have not been converted, released or cancelled).

SPECIFIC MANDATE TO ALLOT AND ISSUE THE CONVERSION SHARES

As at the date of this announcement, none of the Convertible Bonds has been, upon exercise of any Conversion Rights attaching thereto, converted into Shares.

As at the date of this announcement, the aggregate principal amount of HK\$11,850,000 and the aggregate accrued interest of approximately HK\$2,500,000 of the Convertible Bonds remain outstanding. Assuming that no interest of the Convertible Bonds would be settled and paid to the Bondholders between the date of this announcement and the New Maturity Date, the maximum aggregate accrued interest of the Convertible Bonds (including accrued Default Interest) as at the New Maturity Date shall be approximately HK\$4,470,000.

As at the date of this announcement, the Company has 1,898,106,667 Shares in issue. Upon the Proposed Third Amendments as provided under the Third Addendum becoming effective, assuming that no interest of the Convertible Bonds would be settled and paid to the Bondholders between the date of this announcement and the New Maturity Date and without taking into account any Default Interest accrued after the New Maturity Date, the aggregate maximum number of Shares which may fall to be allotted and issued upon conversion in full of the Convertible Bonds at the Revised Conversion Price is 185,492,601 Shares, representing approximately 9.8% of the Company's existing issued share capital and approximately 8.9% of its issued share capital as enlarged by the allotment and issue of the Conversion Shares (assuming that there will be no other change in the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds).

The Company will seek the grant of the Specific Mandate from the Shareholders at the EGM to be convened to authorise the Board to allot and issue the Conversion Shares upon exercise of the Conversion Rights by the Bondholders (as amended by the Third Addendum). The allotment and issue of the Conversion Shares is subject to the Shareholders' approval at the EGM.

APPLICATION FOR LISTING

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

GEM LISTING RULES IMPLICATIONS

Pursuant to Rule 34.05 of the GEM Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities.

Given that the Proposed Third Amendments are alterations to terms of the Convertible Bonds which do not take effect automatically thereunder, the Company will apply to the Stock Exchange for its approval of the Proposed Third Amendments pursuant to the requirements under Rule 34.05 of the GEM Listing Rules.

Further, as at the date of this announcement, Metagate is a substantial shareholder of the Company directly interested in 304,460,000 Shares, representing approximately 16.04% of the total issued share capital of the Company as at the date of this announcement and is therefore a connected person of the Company under the GEM Listing Rules. Also, Mr. Choy, who is the director and the ultimate sole shareholder of Metagate, is an associate of Metagate under the GEM Listing Rules and hence a connected person of the Company under the GEM Listing Rules. Therefore, the Proposed Third Amendments to the CB Terms and Conditions in relation to the Convertible Bonds held by Metagate and Mr. Choy would constitute a connected transaction of the Company under Chapter 20 of the GEM Listing Rules, which is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

GENERAL

No Directors have a material interest in the Third Addendum and the transactions contemplated thereunder and hence no Directors are required to abstain from voting on the Board resolution(s) approving such matters.

The Independent Board Committee has been established to consider and give recommendations to the Independent Shareholders on the Third Addendum and the transactions contemplated thereunder (including but not limited to the Proposed Third Amendments) and the grant of the Specific Mandate to allot and issue the Conversion Shares upon exercise of the Conversion Rights by the Bondholders. The Independent Financial Adviser has been appointed by the Company, with the approval of the Independent Board Committee, to advise the Independent Board Committee and the Independent Shareholders in this regard. The EGM will be convened and held for the Shareholders for the purpose of considering and, if thought fit, approving, the Third Addendum and the transactions contemplated thereunder (including but not limited to the Proposed Third Amendments) and the grant of the Specific Mandate to allot and issue the Conversion Shares upon exercise of the Conversion Rights by the Bondholders. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the resolution(s) approving the aforesaid matters.

A circular containing, among other things, (i) further details of the Third Addendum, the Proposed Third Amendments and the Specific Mandate; (ii) a letter of recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 15 March 2024 in accordance with the GEM Listing Rules.

As the Third Addendum is conditional upon the fulfilment of the Conditions Precedent, the Proposed Third Amendments as provided under the Third Addendum may or may not take effect. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

THE THIRD ADDENDUM TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

Reference is made to (i) the joint announcements of the Company and China Smartpay Group Holdings Limited dated 10 June 2020 and 26 June 2020 in relation to, among others, the placing of the Convertible Bonds under the general mandate by the Company; (ii) the announcements of the Company dated 24 June 2022, 1 September 2022 and 20 September 2022 and the circular of the Company dated 11 August 2022 in relation to, among others, the First Amendments; (iii) the announcements of the Company dated 18 October 2022, 21 October 2022 and 28 February 2023 and the circular of the Company dated 10 February 2023 in relation to the Second Amendments; and (iv) the announcement of the Company dated 19 October 2022 in relation to the transfer of the Convertible Bonds to Metagate Investment SPC and Mr. Choy Hok Man.

Pursuant to the CB Terms and Conditions (as amended by the Second Amendments under the Second Addendum), the Convertible Bonds mature on the date falling upon the expiry of three years and six months from the date on which the Convertible Bonds are issued or if such date is not a Business Day, the immediate preceding Business Day (which is 22 December 2023 (the “**Existing Maturity Date**”)). As at the date of this announcement, an aggregate principal amount of HK\$11,850,000 and an aggregate accrued interest of approximately HK\$2,500,000 of the Convertible Bonds remains outstanding, and the Convertible Bonds have not been redeemed or converted in whole or in part.

On 2 January 2024, by virtue of the written resolutions signed and passed by all the existing Bondholders holding 100% of the aggregate outstanding principal amount of the Convertible Bonds, the Bondholders have conditionally agreed to the Proposed Third Amendments. The Bondholders have also unconditionally confirmed to the Company that:

- (i) the Company is not required to redeem the Convertible Bonds in full on the maturity date (as extended by the Second Addendum); and
- (ii) the Company will not be in breach of any of the CB Terms and Conditions as a result of not redeeming or converting the Convertible Bonds.

The Board announces that on 2 January 2024 (after trading hours), the Company executed the Third Addendum to amend and/or alter the CB Terms and Conditions with a view to giving effect to (i) further extension of the maturity date of the Convertible Bonds for a period of one year; (ii) adjust the interest rate accrued on the principal amount of outstanding Convertible Bonds payable by the Company to 12% per annum; (iii) charge a Default Interest on any overdue principal and accrued interest of the outstanding Convertible Bonds payable by the Company; and (iv) adjust the conversion price of the Convertible Bonds to HK\$0.088 per Conversion Share. The Third Addendum and the CB Terms and Conditions (as amended by the Third Addendum) shall take effect subject to the fulfilment of the Conditions Precedent.

The Proposed Third Amendments

Pursuant to the Third Addendum, subject to the fulfilment of the Conditions Precedent, it is agreed that:

- (i) the maturity date of the Convertible Bonds shall be further extended from “the date falling upon the expiry of three years and six months from the date on which the Convertible Bonds are issued or if such date is not a Business Day, the immediate preceding Business Day” (which is 22 December 2023) to “the date falling upon the expiry of four years and six months from the date on which the Convertible Bonds are issued, or if such date is not a Business Day, the immediate preceding Business Day” (which is 24 December 2024 (i.e. the New Maturity Date));
- (ii) the conversion price of the Convertible Bonds shall be adjusted from HK\$0.1 to HK\$0.088 per Conversion Share;
- (iii) from the date immediately after the date falling upon the expiry of three years and six months from the date on which the Convertible Bonds are issued, the interest rate accrued on the principal amount of outstanding Convertible Bonds payable by the Company shall be adjusted from “the rate of 7% per annum accrued on a day-to-day basis” to “the rate of 12% per annum accrued on a day-to-day basis”; and
- (iv) a Default Interest shall be chargeable to the Company at the rate of 20% per annum on (a) any outstanding accrued interest of the Convertible Bonds from and including the date(s) on which accrued interest is payable in accordance with the CB Terms and Conditions to the actual payment date; and (b) any outstanding principal of the Convertible Bonds from and including the New Maturity Date to the actual payment date.

Save for the Proposed Third Amendments as provided under the Third Addendum, all other terms and conditions of the Convertible Bonds shall remain unchanged.

Conditions Precedent

The Third Addendum and the CB Terms and Conditions shall take effect subject to the fulfilment of all of the following conditions precedent (the “**Conditions Precedent**”):

- (a) the Stock Exchange having granted approval for the Proposed Third Amendments as contemplated under the Third Addendum pursuant to Rule 34.05 of the GEM Listing Rules;
- (b) the GEM Listing Committee having granted or agreed to grant approval for the listing of, and permission to deal in, the Conversion Shares which shall fall to be allotted and issued by the Company upon exercise of the Conversion Rights attached to the Convertible Bonds as amended and supplemented by the Third Addendum;
- (c) the Shareholders having granted their approval for the allotment and issue of the Conversion Shares by the Company upon exercise of the Conversion Rights attached to the Convertible Bonds as amended and supplemented by the Third Addendum; and
- (d) all other necessary consent(s) and approval(s) in respect of the entering into of the Third Addendum and the transactions contemplated hereunder (including but not limited to the Proposed Third Amendments) and the allotment and issue of the Conversion Shares by the Company upon conversion of the Convertible Bonds having been obtained by the Company.

If any of the above Conditions Precedent is not fulfilled on or before 30 April 2024 (or such later date as may be mutually agreed by the Company and the Bondholders), the Third Addendum shall lapse and terminate and the Proposed Third Amendments as provided under the Third Addendum will not take effect. None of the Conditions Precedent is waivable by the Company or the Bondholders. As at the date of this announcement, none of the Conditions Precedent have been fulfilled.

Effect of the Third Addendum

The Proposed Third Amendments as provided under the Third Addendum shall apply to the Convertible Bonds outstanding as at the date on which the CB Terms and Conditions becomes effective or unconditional (to the extent that the outstanding balance of the Convertible Bonds have not been converted, released or cancelled).

Save for the Proposed Third Amendments as provided under the Third Addendum, the outstanding Convertible Bonds shall remain in full force, validity and effect in accordance with the terms set out therein.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS IMMEDIATELY AFTER THE PROPOSED THIRD AMENDMENTS UNDER THE THIRD ADDENDUM

The CB Terms and Conditions (as amended by the Third Addendum) are summarised below:

- Issuer:** The Company
- Principal amount:** An aggregate principal amount of HK\$11,850,000
- Issue price:** 100% of the principal amount of the Convertible Bonds
- Maturity Date:** The date falling upon the expiry of four years and six months from the date on which the Convertible Bonds are issued, or if such date is not a Business Day, the immediate preceding Business Day (i.e., 24 December 2024)
- Interest:** The Convertible Bonds will bear interest from the date of issue at the rate of 7% per annum, and from the date immediately after the date falling upon the expiry of three years and six months from the date of issue at the rate of 12% per annum, accrued on a day-to-day basis on the principal amount of the Convertible Bonds outstanding, will be payable by the Company semi-annually in arrears on the dates falling upon the expiry of six months and one year after the date of issue of the Convertible Bonds and on the anniversary(ies) of such dates for each year thereafter up to and including the New Maturity Date, with the first payment to be made on the date falling six months after the date of its issue.

If the Company fails to pay the outstanding accrued interest on the aforesaid payment due date(s) when the accrued interest becomes payable, the Bondholder will be entitled to receive a Default Interest at the rate of 20% per annum (“**Default Interest Rate**”) on the overdue amount from and including such due date(s) (or, in respect of the outstanding accrued interest payable before the Existing Maturity Date, the date immediately after the Existing Maturity Date) to the actual payment date. If the Company fails to repay the outstanding principal on the New Maturity Date, the Bondholder will be entitled to receive a penalty interest at the Default Interest Rate on the overdue amount from and including the New Maturity Date to the actual payment date.

The interest of the Convertible Bonds (including Default Interest) shall be calculated on the basis of a 365-day year and on the actual number of days elapsed.

Conversion price: HK\$0.088 per Conversion Share, subject to adjustments, details of the adjustment mechanisms are set out in the CB Terms and Conditions

Adjustment events: Pursuant to the CB Terms and Conditions, the Conversion Price shall from time to time be adjusted upon occurrence of the following events, among others:

- (i) consolidation or subdivision of the Shares;
- (ii) issue of any Shares by way of capitalisation of profits or reserves (other than in lieu of a cash dividend);
- (iii) capital distribution to the Shareholders or a grant to the Shareholders of any rights to acquire for cash assets of the Group;
- (iv) offer of any new Shares to the Shareholders for subscription by way of rights, or a grant to the Shareholders of any options or warrants to subscribe for new Shares, at a price which is less than 80% of the relevant market price per Share;
- (v) issue of any securities convertible into or exchangeable for or carrying rights of subscription for new Shares wholly for cash, if in any case, the total effective consideration per Share receivable for such securities is less than 80% of the relevant market price per Share, or any rights of conversion, exchange or subscription attached to such securities are modified so that the said total effective consideration per Share receivable for such securities is less than 80% of the relevant market price per Share;
- (vi) issue of any Shares wholly for cash at a price per Share which is less than 80% of the relevant market price per Share; or
- (vii) issue of any Shares for acquisition of asset at a total effective consideration per Share which is less than 80% of the relevant market price per Share.

Conversion Shares: Based on the Revised Conversion Price of HK\$0.088 per Conversion Share, a maximum number of 185,492,601 Conversion Shares shall be allotted and issued upon exercise in full of the Conversion Rights, which represents:

- (i) approximately 9.8% of the existing issued Shares immediately prior to the exercise of any of the Conversion Rights; and
- (ii) approximately 8.9% of the issued Shares as enlarged by the issue of the Conversion Shares upon exercise in full of the Conversion Rights (assuming there will be no other change in the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds).

Conversion Period: The period commencing from any Business Day falling 6 months after the date of issue of the Convertible Bonds and up to and including the New Maturity Date

Conversion Rights: The Bondholders will be entitled to, at any time during the Conversion Period, convert the whole or any part of the aggregate sum of the outstanding principal amount and any outstanding accrued interest of the Convertible Bonds (in the minimum amount of HK\$1,000,000 or any whole multiple thereof on each conversion) into Conversion Shares, unless the outstanding principal is less than HK\$1,000,000 in which case the whole of such amount shall be converted.

The Conversion Shares shall be allotted and issued by the Company in board lots (if applicable) in the name of the Bondholder or as it may direct with effect from Conversion Date and shall be delivered to such Bondholder within fourteen Business Days of the Conversion Date. Any outstanding balance of the Convertible Bonds not converted shall be returned to such Bondholder in the manner set out in the CB Terms and Conditions.

No fraction of a Conversion Share will be issued but (except in cases where any such cash payment would amount to less than HK\$1.00) an equivalent cash payment in Hong Kong dollars will be made to a Bondholder which proposes to exercise all or any part of its Conversion Rights in respect of such fraction.

Conversion prerequisites:

No Conversion Rights may be exercised by a Bondholder unless such Bondholder confirms and/or provides evidence that upon exercise of the Convertible Rights:

- (a) such Bondholder and its associates, together with any persons acting in concert (as defined in the Takeovers Codes) with it, will not on the Conversion Date become obliged to make a mandatory offer under Rule 26 of the Takeovers Codes;
- (b) the Company will be able to comply with the relevant public float requirements under the GEM Listing Rules; and
- (c) to the reasonable satisfaction of the Company, such Bondholder and any persons acting in concert (as defined in the Takeovers Codes) with it will not be beneficially interested in 30% or more of the then issued Shares and/or the voting rights of the Company.

Ranking:

The Convertible Bond constitutes a direct, general, unconditional and unsecured obligation of the Company and ranks pari passu and rateably without preference (with the exception of obligations in respect of taxes and certain other mandatory provisions of applicable law exceptions) equally with all other present and/or future unsecured and unsubordinated obligations of the Company.

The Conversion Shares shall rank pari passu in all respects amongst themselves and with all other issued Shares outstanding at the Conversion Date and be entitled to all dividends and other distributions should the record date of which falls on a date on or after the Conversion Date.

Transferability:

The Convertible Bonds are assignable and transferable subject to the CB Terms and Conditions, the applicable laws, rules and regulations (including but not limited to the GEM Listing Rules).

Events of Default:

If any of the events specified below (“**Events of Default**”) occurs and is continuing, the Bondholder with majority vote (such number of votes casted by the Bondholders representing more than 75% of the aggregate outstanding principal amount of the Convertible Bonds) may give a written notice (the “**Default Notice**”) in respect of the Convertible Bonds, to the Company declaring an Event of Default and electing that the Convertible Bonds be redeemed:

- (a) a default is made for more than fourteen Business Days in the payment of any amount due in respect of the Convertible Bonds when the same ought to be paid in accordance with the CB Terms and Conditions;
- (b) a default is made by the Company in the performance or observance of any covenant, condition or provision contained in the CB Terms and Conditions and on its part to be performed or observed (other than the covenant to pay the principal) and such default is incapable of remedy, or if capable of remedy is not remedied within fourteen Business Days of service by the Bondholder on the Company, of notice requiring such default to be remedied;
- (c) a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved;
- (d) any governmental or other authority expropriates, or threatens to expropriate, all or any substantial part of the business or assets of the Company save as permitted in the CB Terms and Conditions;
- (e) an encumbrancer takes possession of or a receiver is appointed over the whole or a material part of the assets or undertaking of the Company and such possession or appointment is not terminated within twenty-eight Business Days of a written request by the Bondholder;
- (f) a distress, execution or seizure order before judgment is levied or enforced upon or sued out against the whole or a material part of the property of the Company and is not discharged within twenty-eight Business Days thereof;
- (g) the Company initiates or consents to proceedings relating to itself under any applicable reorganisation or insolvency law or makes an assignment for the benefit of, or enters into any composition with, its creditors generally;

- (h) proceedings are initiated against the Company under any applicable reorganisation or insolvency law and such proceedings shall not have been discharged or stayed within a period of thirty Business Days;
- (i) it is or will become unlawful for the Company to perform or comply with any one or more of their respective obligations under the CB Terms and Conditions or the Convertible Bonds;
- (j) the Convertible Bonds are not redeemed on the New Maturity Date pursuant to the CB Terms and Conditions;
- (k) any present or future indebtedness of the Company in excess of HK\$100,000,000 becomes due and payable prior to its stated maturity or any such indebtedness is not paid after three months of when it becomes due; or
- (l) any event occurs which has an analogous effect to any of the events referred in paragraphs (a) to (k) above.

Further Issue:

The Company may from time to time, without the consent of the Bondholders, create and issue further Convertible Bonds having the same terms and conditions as the Convertible Bonds in all respects and so that such further issue shall be consolidated and form a single series with the Convertible Bonds.

Voting:

The Bondholder will not be entitled to attend or vote at any meetings of the Company by reason only of it being the Bondholder.

Application for listing:

No application will be made by the Company for the listing of the Convertible Bonds on any stock or securities exchange.

Revised Conversion Price

The Revised Conversion Price of HK\$0.088 per Conversion Share represents:

- (i) the closing price of HK\$0.088 per Share as quoted on the Stock Exchange on 2 January 2024, being the date of the Third Addendum;
- (ii) a premium of approximately 4.0% to the average closing price of HK\$0.0846 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Third Addendum;
- (iii) a premium of approximately 2.3% to the average closing price of HK\$0.086 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Third Addendum.

There is no theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) given that the theoretical diluted price (as defined under Rule 10.44A of the GEM Listing Rules) equals the benchmarked price of HK\$0.088 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of (i) the closing price of HK\$0.088 per Share on the date of the Third Addendum and (ii) the average closing price of HK\$0.0836 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the date of the Third Addendum).

SPECIFIC MANDATE TO ALLOT AND ISSUE THE CONVERSION SHARES

As at the date of this announcement, none of the Convertible Bonds has been, upon exercise of any Conversion Rights attaching thereto, converted into Shares.

As at the date of this announcement, the aggregate principal amount of HK\$11,850,000 and the aggregate accrued interest of approximately HK\$2,500,000 of the Convertible Bonds remain outstanding. Assuming that no interest of the Convertible Bonds would be settled and paid to the Bondholders between the date of this announcement and the New Maturity Date, the maximum aggregate accrued interest of the Convertible Bonds (including accrued Default Interest) as at the New Maturity Date shall be approximately HK\$4,470,000.

As at the date of this announcement, the Company has 1,898,106,667 Shares in issue. Upon the Proposed Third Amendments as provided under the Third Addendum becoming effective, assuming that no interest of the Convertible Bonds would be settled and paid to the Bondholders between the date of this announcement and the New Maturity Date and without taking into account any Default Interest accrued after the New Maturity Date, the aggregate maximum number of Shares which may fall to be allotted and issued upon conversion in full of the Convertible Bonds at the Revised Conversion Price is 185,492,601 Shares, representing approximately 9.8% of the Company's existing issued share capital and approximately 8.9% of its issued share capital as enlarged by the allotment and issue of the Conversion Shares (assuming that there will be no other change in the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds).

The Company will seek the grant of the Specific Mandate from the Shareholders at the EGM to be convened to authorise the Board to allot and issue the Conversion Shares upon exercise of the Conversion Rights by the Bondholders (as amended by the Third Addendum). The allotment and issue of the Conversion Shares is subject to the Shareholders' approval at the EGM.

INFORMATION ON THE COMPANY

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

INFORMATION ON THE BONDHOLDERS

To the best of the knowledge and belief of the Directors, Metagate Investment SPC is an investment holding company incorporated in the Cayman Islands which is wholly-owned by Mr. Choy Hok Man, who is an experienced investor in the Hong Kong stock market. As at the date of this announcement, Metagate is a substantial shareholder of the Company directly interested in 304,460,000 Shares, representing approximately 16.04% of the total issued share capital of the Company as at the date of this announcement and is therefore a connected person of the Company under the GEM Listing Rules. Also, Mr. Choy, who is the director and the ultimate sole shareholder of Metagate, is an associate of Metagate under the GEM Listing Rules and hence a connected person of the Company under the GEM Listing Rules. Mr. Choy also directly holds 19,880,000 Shares, representing approximately 1.05% of the total issued share capital of the Company as at the date of this announcement.

REASONS FOR AND BENEFITS OF THE PROPOSED THIRD AMENDMENTS

The Convertible Bonds (as amended by the Second Amendments under the Second Addendum) matured on 22 December 2022. As at the date of this announcement, the Convertible Bonds have not been redeemed or converted in whole or in part. If the Company were to redeem the Convertible Bonds in full on the date of this announcement, the expected cash outflow of the Company in this regard will amount to approximately HK\$14,350,000.

Having considered the direct and immediate negative impact of full redemption of the Convertible Bonds (if carried out according to the CB Terms and Conditions (as amended by the Second Addendum)) on the Company's liquidity and financial position, the Company has negotiated with the Bondholders to explore possible solutions, including but not limited to the potential extension of the maturity date of the Convertible Bonds and the potential issuance of new debt securities. On 5 December 2023, the Company was notified of the Bondholders' intention to incorporate the Proposed Third Amendments into the CB Terms and Conditions. In this regard, the Directors believe that the Proposed Third Amendments would allow the Group to continue to refinance its debts under the Convertible Bonds on normal commercial terms and enable the Company to retain flexibility in the deployment of its funds for general working capital, which is of paramount importance to the Company's operations amidst the challenging market environment.

In addition, although the interest rate under the Proposed Third Amendments has been raised, having considered the high finance cost and longer time in raising additional fund to redeem the outstanding Convertible Bonds, the Board considers that the Proposed Third Amendments would relieve the imminent pressure on the Company to seek urgent funding to redeem the Convertible Bonds.

In view of the foregoing and all other relevant factors, the Directors (excluding the independent non-executive Directors who will express their view after considering the advice from the Independent Financial Adviser to the Independent Board Committee) consider that the Third Addendum and the transactions contemplated thereunder are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 1,898,106,667 Shares in issue. The table below sets out the shareholding structure of the Company (i) as at the date of this announcement; and (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 that no interest of the Convertible Bonds would be settled and paid to the Bondholders between the date of this announcement and the New Maturity Date without taking into account any Default Interest accrued after the New Maturity Date):

	(i) As at the date of this announcement		(ii) Upon full conversion of the Convertible Bonds	
	<i>Number of Shares</i>	<i>Approximate shareholding percentage</i>	<i>Number of Shares</i>	<i>Approximate shareholding percentage</i>
Shareholders				
Mobile Technology Holdings Limited	476,666,667	25.11%	476,666,667	22.88%
Metagate Investment SPC (“ Metagate ”) (Note 1)	304,460,000	16.04%	404,328,590	19.41%
Mr. Choy Hok Man (“ Mr. Choy ”) (Note 1)	19,880,000	1.05%	105,504,011	5.06%
Gold Track Ventures Limited (“ Gold Track ”) (Note 2)	200,000,000	10.53%	200,000,000	9.60%
Mr. Tsang Chi Kit (“ Mr. Tsang ”) (Note 2)	4,880,000	0.26%	4,880,000	0.23%
Straum Investments Limited (“ Straum Investments ”) (Note 3)	138,000,000	7.27%	138,000,000	6.62%
Other public Shareholders (Note 4)	754,220,000	39.74%	754,220,000	36.20%
Total	<u>1,898,106,667</u>	<u>100.00%</u>	<u>2,083,599,268</u>	<u>100.00%</u>

Notes:

- 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.

2. 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.
3. 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 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.
4. As at the date of this announcement, pursuant to the disclosure of interest notice filed by Best Practice Limited (“**Best Practice**”) on 16 March 2022, 41,000,000 Shares held by an Independent Third Party have been pledged to Best Practice pursuant to the loan agreement dated 14 March 2022 entered into between that 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 held by the Independent Third Party due to the security interest in those Shares acquired from such Independent Third Party pursuant to Part XV of the SFO.

EQUITY 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 prior to the date of this announcement:

Date of announcements	Fund raising activity	Net proceeds (approximately)	Intended use of proceeds as announced	Actual use of proceeds as at the date of this announcement
21 December 2022, 22 December 2022 and 10 January 2023	Subscription of new Shares under general mandate	HK\$4.64 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	Approximately HK\$4.64 million has been applied for general working capital purpose
19 July 2023 and 2 August 2023	Subscription of new Shares under general mandate	HK\$5.85 million	General working capital purpose	Approximately HK\$5.42 million has been applied for general working capital purpose

Save as disclosed above and except for the then proposed placing of up to 35,000,000 new Shares under general mandate by SBI China Capital Financial Services Limited as placing agent which lapsed on 30 January 2023 (particulars of which are set out in the announcements of the Company dated 21 December 2022, 22 December 2022 and 30 January 2023), the Company has not conducted any fund raising activities in the past 12 months immediately prior to the date of this announcement.

APPLICATION FOR LISTING

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

GEM LISTING RULES IMPLICATIONS

Pursuant to Rule 34.05 of the GEM Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities.

Given that the Proposed Third Amendments are alterations to terms of the Convertible Bonds which do not take effect automatically thereunder, the Company will apply to the Stock Exchange for its approval of the Proposed Third Amendments pursuant to the requirements under Rule 34.05 of the GEM Listing Rules.

Further, as at the date of this announcement, Metagate is a substantial shareholder of the Company directly interested in 304,460,000 Shares, representing approximately 16.04% of the total issued share capital of the Company as at the date of this announcement and is therefore a connected person of the Company under the GEM Listing Rules. Also, Mr. Choy, who is the director and the ultimate sole shareholder of Metagate, is an associate of Metagate under the GEM Listing Rules and hence a connected person of the Company under the GEM Listing Rules. Therefore, the Proposed Third Amendments to the CB Terms and Conditions in relation to the Convertible Bonds held by Metagate and Mr. Choy would constitute a connected transaction of the Company under Chapter 20 of the GEM Listing Rules, which is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

GENERAL

No Directors have a material interest in the Third Addendum and the transactions contemplated thereunder and hence no Directors are required to abstain from voting on the Board resolution(s) approving such matters.

The Independent Board Committee has been established to consider and give recommendations to the Independent Shareholders on the Third Addendum and the transactions contemplated thereunder (including but not limited to the Proposed Third Amendments) and the grant of the Specific Mandate to allot and issue the Conversion Shares upon exercise of the Conversion Rights by the Bondholders. The Independent Financial Adviser has been appointed by the Company, with the approval of the Independent Board Committee, to advise the Independent Board Committee and the Independent Shareholders in this regard. The EGM will be convened and held for the Shareholders for the purpose of considering and, if thought fit, approving, the Third Addendum and the transactions contemplated thereunder (including but not limited to the Proposed Third Amendments) and the grant of the Specific Mandate to allot and issue the Conversion Shares upon exercise of the Conversion Rights by the Bondholders. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the resolution(s) approving the aforesaid matters.

A circular containing, among other things, (i) further details of the Third Addendum, the Proposed Third Amendments and the Specific Mandate; (ii) a letter of recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 15 March 2024 in accordance with the GEM Listing Rules.

As the Third Addendum is conditional upon the fulfilment of the Conditions Precedent, the Proposed Third Amendments as provided under the Third Addendum may or may not take effect. 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:

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	board of Directors
“Bondholder(s)”	holder(s) of the Convertible Bonds
“Business Day(s)”	a day (other than a Saturday, Sunday, public holiday, or days on which a tropical cyclone warning signal no. 8 or above or “black rainstorm warning signal” is hoisted or in effect between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which banks are generally open for business in Hong Kong
“CB Terms and Conditions”	the terms and conditions of the Convertible Bonds (as supplemented and amended from time to time)
“Company”	Oriental Payment Group Holdings Limited (東方支付集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM with stock code 8613
“Conditions Precedent”	conditions precedent set out in the Third Addendum which shall be fulfilled in order for the Third Addendum and the CB Terms and Conditions (as amended by the First Addendum, the Second Addendum and the Third Addendum) to take effect
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules

“Conversion Date”	the date on which the Bondholder exercises its Conversion Rights by delivering to the principal place of business of the Company a written notice stating its intention to convert, together with the Convertible Bonds certificate
“Conversion Period”	any Business Day falling the period commencing from the day falling the expiry of 6 months after the date of issue of the Convertible Bonds and up to and including the New Maturity Date
“Conversion Rights”	rights attached to the Convertible Bonds to convert the whole or any part thereof into Conversion Shares in accordance with the CB Terms and Conditions
“Conversion Shares”	new Shares to be allotted and issued by the Company upon exercise of the Conversion Rights in accordance with the CB Terms and Conditions
“Convertible Bonds”	the interest-bearing convertible bonds issued by the Company on 26 June 2020 in an aggregate principal amount of HK\$11,850,000, where a maximum of 185,492,601 Shares shall fall to be allotted and issued upon exercise of the Conversion Rights by the Bondholders in full (without taking into account any Default Interest accrued after the New Maturity Date)
“Default Interest”	the penalty interest payable by the Company to the Bondholders in the event of default in payment of any accrued interest on the interest payment dates and payment of the outstanding principal on the New Maturity Date in accordance with the CB Terms and Conditions (as amended by the Third Addendum)
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders for the purpose of considering and, if thought fit, approving, among other things, the grant of the Specific Mandate to allot and issue the Conversion Shares upon exercise of the Conversion Rights by the Bondholders
“First Addendum”	the Addendum dated 24 June 2022 executed by the Company and expressed to be supplemental to the CB Terms and Conditions

“First Amendments”	the amendments to the CB Terms and Conditions as provided under the First Addendum, details of which are set out in the announcements of the Company dated 24 June 2022, 1 September 2022 and 20 September 2022 and the circular of the Company dated 11 August 2022
“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
“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 People’s Republic of China
“Independent Board Committee”	the independent board committee comprising all the independent non-executive Directors which has been established pursuant to the GEM Listing Rules to consider and give recommendations to the Independent Shareholders on the Third Addendum and the transactions contemplated thereunder (including but not limited to the Proposed Third Amendments) and the grant of the Specific Mandate to allot and issue the Conversion Shares upon exercise of the Conversion Rights by the Bondholders
“Independent Financial Adviser”	Silverbricks Securities Company Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) regulated activities, and appointed, with the approval of the Independent Board Committee, by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Third Addendum and the transactions contemplated thereunder (including but not limited to the Proposed Third Amendments) and the grant of the Specific Mandate to allot and issue the Conversion Shares upon exercise of the Conversion Rights by the Bondholders
“Independent Shareholders”	the Shareholders other than those who are required under the GEM Listing Rules to abstain from voting on the resolution(s) to be proposed at the EGM

“Independent Third Party”	person or entity who is a third party independent of, and not connected with, the Company and its connected persons
“New Maturity Date”	the date falling upon the expiry of four years and six months from the date on which the Convertible Bonds are issued, or if such date is not a Business Day, the immediate preceding Business Day (i.e., 24 December 2023)
“Proposed Third Amendments”	the proposed amendments to the CB Terms and Conditions as provided under the Third Addendum, details of which are set out in the section headed “Proposed Third Amendments” in this announcement
“Revised Conversion Price”	HK\$0.088 per Conversion Share, subject to adjustments set out in the CB Terms and Conditions
“Second Addendum”	the Addendum dated 18 October 2022 executed by the Company and expressed to be supplemental to the CB Terms and Conditions (as amended by the First Addendum)
“Second Amendments”	the amendments to the CB Terms and Conditions as provided under the Second Addendum, details of which are set out in the announcements of the Company dated 18 October 2022, 21 October 2022 and 28 February 2023 and the circular of the Company dated 10 February 2023
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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)
“Specific Mandate”	the specific mandate to authorise the Board to allot and issue the Conversion Shares upon exercise of the Conversion Rights by the Bondholders to be proposed for the Shareholders’ approval as ordinary resolution(s) at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Codes”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong as may be amended and supplemented from time to time

“Third Addendum” the addendum to the CB Terms and Conditions dated 2 January 2024 executed by the Company and supplemental to the CB Terms and Conditions (as amended by the First Addendum and the Second Addendum)

“%” per cent.

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

Hong Kong, 2 January 2024

As at the date of this announcement, the Board comprises Mr. Tsang Chi Kit as an executive Director, Mr. Shiu Shu Ming as a non-executive Director and Ir Dr. Ng Yu Ki, Mr. Tong Tsz Kwan and Ms. Liao Pui Yee Bonnie 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.