

CIRCULAR DATED 4 DECEMBER 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by OxPay Financial Limited (the “**Company**”). If you are in any doubt in relation to the contents of this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the section entitled “DEFINITIONS”.

If you have sold or transferred all your ordinary shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular, together with the Notice of EGM and the accompanying Proxy Form, to the purchaser or transferee as arrangements will be made by CDP for a separate Circular, together with the Notice of EGM and the accompanying Proxy Form, to be sent to the purchaser or transferee. If you have sold or transferred all of your ordinary shares in the capital of the Company which are not deposited with CDP, you should immediately forward this Circular, together with the Notice of EGM and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “**Sponsor**”).

This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained in this Circular.

The contact person for the Sponsor is Ms Goh Mei Xian, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.



OXPAY FINANCIAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200407031R)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) **THE PROPOSED ALLOTMENT AND ISSUE OF UP TO 56,197,530 CONVERSION SHARES AT A CONVERSION PRICE OF S\$0.0405 FOR EACH CONVERSION SHARE (THE “PROPOSED ISSUE OF CONVERSION SHARES”) PURSUANT TO THE CONVERTIBLE LOAN AGREEMENT;**
- (2) **THE PROPOSED ISSUE OF CONVERSION SHARES TO OXLEY CAPITAL MANAGEMENT PTE. LTD. (THE “LENDER”), BEING AN ASSOCIATE OF A DIRECTOR;**
- (3) **THE PROPOSED TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO THE LENDER ARISING FROM THE PROPOSED ISSUE OF CONVERSION SHARES;**
- (4) **THE PROPOSED GRANT OF THE CONVERTIBLE LOAN FACILITY BY THE LENDER TO THE COMPANY AS AN INTERESTED PERSON TRANSACTION; AND**
- (5) **THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS (AS DEFINED HEREIN) OF THEIR RIGHT TO RECEIVE A MANDATORY GENERAL OFFER FROM MR CHING CHIAT KWONG, THE LENDER AND PARTIES ACTING IN CONCERT WITH THEM FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY THEM, AS A RESULT OF THE PROPOSED ISSUE OF CONVERSION SHARES.**

**Independent Financial Adviser to the Independent Directors in relation to
the Interested Person Transaction and the Proposed Whitewash Resolution**



EVOLVE CAPITAL ADVISORY PRIVATE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 201718400R)

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form : 16 December 2024 at 10.00 a.m.
Date and time of EGM : 19 December 2024 at 10.00 a.m.
Place of EGM : 137 Cecil Street, Cecil Building, #05-02,
Singapore 069537

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

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| “ACRA” | : | Accounting and Corporate Regulatory Authority of Singapore |
| “Adjustment Events” | : | Has the meaning ascribed thereto in Section 2.2 of this Circular |
| “Announcement Date” | : | The date on which the Company announced that it had entered into the Convertible Loan Agreement with the Lender pursuant to which the Lender had agreed to grant to the Company the Convertible Loan Facility subject to the terms and conditions of the Convertible Loan Agreement, being 23 June 2024 |
| “Associate” | : | <p>(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:</p> <ul style="list-style-type: none">(i) his immediate family (being his spouse, child, adopted child, step-child, sibling and parent);(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more <p>(b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more</p> |
| “Audit Committee” | : | The audit committee of the Company |
| “Auditors” | : | The auditors of the Company |
| “Availability Period” | : | Has the meaning ascribed thereto in Section 2.2 of this Circular |
| “Board” | : | The board of Directors of the Company for the time being |
| “Catalist” | : | The Catalist board of the SGX-ST |

DEFINITIONS

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| “Catalist Rules” | : | The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time |
| “CDP” | : | The Central Depository (Pte) Limited |
| “Circular” | : | This circular to Shareholders dated 4 December 2024 |
| “Companies Act” | : | The Companies Act 1967 of Singapore, as amended or modified from time to time |
| “Company” | : | OxPay Financial Limited |
| “Conditions” | : | Has the meaning ascribed thereto in Section 2.2 of this Circular |
| “Controlling Shareholder” | : | A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company |
| “Conversion” | : | Has the meaning ascribed thereto in Section 2.2 of this Circular |
| “Conversion Price” | : | S\$0.0405 for each Conversion Share |
| “Conversion Shares” | : | Up to 56,197,530 new Shares proposed to be allotted and issued by the Company at the Conversion Price in repayment of the Convertible Sum under the Convertible Loan Facility |
| “Convertible Loan Agreement” | : | The convertible loan agreement dated 21 June 2024 entered into between the Company and the Lender pursuant to which the Lender agreed to grant to the Company the Convertible Loan Facility |
| “Convertible Loan Facility” | : | The convertible loan facility of a principal amount of up to S\$2,000,000 subject to the terms and conditions of the Convertible Loan Agreement |
| “Convertible Sum” | : | Has the meaning ascribed thereto in Section 2.2 of this Circular |
| “Default Interest” | : | Has the meaning ascribed thereto in Section 2.2 of this Circular |

DEFINITIONS

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| “Director” | : | A director of the Company for the time being |
| “Due Date” | : | Has the meaning ascribed thereto in Section 2.2 of this Circular |
| “EGM” | : | The extraordinary general meeting of the Company, the notice of which is set out on pages N-1 to N-4 of this Circular |
| “First Drawdown Date” | : | Has the meaning ascribed thereto in Section 2.2 of this Circular |
| “FY” | : | Financial year ended, or as the case may be, ending 31 December |
| “Group” | : | The Company and its subsidiaries |
| “IFA” | : | Evolve Capital Advisory Private Limited |
| “IFA Letter” | : | The letter from the IFA to the Independent Directors dated 4 December 2024, as set out in Appendix A to this Circular |
| “Independent Directors” | : | The Directors who are considered independent for the purpose of making a recommendation to the Independent Shareholders on the grant of the Convertible Loan Facility by the Lender to the Company as an interested person transaction and the Proposed Whitewash Resolution, being Mr Yick Li Tsin, Mr Ng Weng Sui Harry, Mr Kesavan Nair, Mr Chin Chen Keong and Mr Yee Kee Shian, Leon |
| “Independent Shareholders” | : | The Shareholders who are not associated with or connected to and are independent of Mr Ching Chiat Kwong, the Lender and parties acting in concert with them, for the purpose of the proposed grant of the Convertible Loan Facility by the Lender to the Company and the Proposed Whitewash Resolution |
| “Latest Practicable Date” | : | 21 November 2024, being the latest practicable date prior to the issue of this Circular |
| “Lender” | : | Oxley Capital Management Pte. Ltd. |
| “Loan” | : | Has the meaning ascribed thereto in Section 2.1 of this Circular |
| “LQN” | : | Has the meaning ascribed thereto in Section 2.2 of this Circular |

DEFINITIONS

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| “MAS” | : | The Monetary Authority of Singapore |
| “Maturity Date” | : | Has the meaning ascribed thereto in Section 2.2 of this Circular |
| “Net Proceeds” | : | Has the meaning ascribed thereto in Section 2.4 of this Circular |
| “Notice of EGM” | : | The notice of EGM dated 4 December 2024 |
| “NTA” | : | Net tangible assets, which is computed based on the equity attributable to owners of the Company less intangible assets and goodwill |
| “Ordinary Resolutions” | : | The ordinary resolutions to be passed by a simple majority of the Shareholders present and voting in person or by proxy at the EGM to be convened for Shareholders to consider and approve (i) the Proposed Issue of Conversion Shares, (ii) the Proposed Issue of Conversion Shares to the Lender, being an Associate of a Director, (iii) the Proposed Transfer of Controlling Interest, (iv) the proposed grant of the Convertible Loan Facility by the Lender to the Company as an interested person transaction, and (v) the Proposed Whitewash Resolution |
| “Proposed Issue of Conversion Shares” | : | The proposed allotment and issue of the Conversion Shares to the Lender in repayment of the Convertible Sum on the terms and subject to the conditions of the Convertible Loan Agreement |
| “Proposed Transfer of Controlling Interest” | : | The proposed transfer of controlling interest in the Company to the Lender arising from the Proposed Issue of Conversion Shares |
| “Proposed Whitewash Resolution” | : | The proposed ordinary resolution of the Company which if passed by the Independent Shareholders would result in a waiver by the Independent Shareholders of their right to receive a mandatory general offer from Mr Ching Chiat Kwong, the Lender and parties acting in concert with them for all the issued Shares not already owned or controlled by them, as a result of the Proposed Issue of Conversion Shares |
| “Proxy Form” | : | The proxy form attached to the Notice of EGM |
| “SGX-ST” | : | Singapore Exchange Securities Trading Limited |

DEFINITIONS

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| “Shareholders” | : | Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose securities accounts maintained with CDP are credited with such Shares |
| “Shares” | : | Ordinary shares in the capital of the Company |
| “SIC” | : | Securities Industry Council |
| “SIC Conditions” | : | Has the meaning ascribed thereto in Section 6.2 of this Circular |
| “Sponsor” | : | ZICO Capital Pte. Ltd. |
| “Substantial Shareholder” | : | A person who has an interest in the Shares of the Company, and the total votes attached thereto are not less than 5.0% of the total votes attached to all the voting Shares of the Company |
| “Takeover Code” | : | The Singapore Code on Take-overs and Mergers |
| “Whitewash Waiver” | : | Has the meaning ascribed thereto in Section 2.2 of this Circular |
| “S\$” and “cents” | : | Singapore dollars and cents, respectively |
| “%” or “percent” | : | Percentage or per centum |

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore (as amended or modified from time to time).

The terms **“treasury shares”** and **“subsidiary”** shall have the meanings ascribed to them respectively in Section 4 and Section 5 of the Companies Act. The term **“subsidiary holdings”** shall mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

References to persons shall, where applicable, include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

DEFINITIONS

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be. Summaries of the provisions of any laws or regulations contained in this Circular are of such laws or regulations as at the Latest Practicable Date.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof shown are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS

XPAY FINANCIAL LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number 200407031R)

Directors

Mr Ching Chiat Kwong (Non-Executive Non-Independent Chairman)
Mr Shawn Ching Wei Hung (Non-Executive Non-Independent
Deputy Chairman)
Mr Yick Li Tsin (Executive Director and Chief Executive Officer)
Mr Ng Weng Sui Harry (Non-Executive Non-Independent Director)
Mr Kesavan Nair (Non-Executive Lead Independent Director)
Mr Chin Chen Keong (Non-Executive Independent Director)
Mr Yee Kee Shian, Leon (Non-Executive Independent Director)

Registered Office

138 Cecil Street
#08-01 Cecil Court
Singapore 069538

4 December 2024

To: The Shareholders of OxPay Financial Limited

Dear Sir/Madam

- (1) **THE PROPOSED ISSUE OF CONVERSION SHARES PURSUANT TO THE CONVERTIBLE LOAN AGREEMENT;**
- (2) **THE PROPOSED ISSUE OF CONVERSION SHARES TO THE LENDER, BEING AN ASSOCIATE OF A DIRECTOR;**
- (3) **THE PROPOSED TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO THE LENDER ARISING FROM THE PROPOSED ISSUE OF CONVERSION SHARES;**
- (4) **THE PROPOSED GRANT OF THE CONVERTIBLE LOAN FACILITY BY THE LENDER TO THE COMPANY AS AN INTERESTED PERSON TRANSACTION; AND**
- (5) **THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHT TO RECEIVE A MANDATORY GENERAL OFFER FROM MR CHING CHIAT KWONG, THE LENDER AND PARTIES ACTING IN CONCERT WITH THEM FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY THEM, AS A RESULT OF THE PROPOSED ISSUE OF CONVERSION SHARES.**

1. INTRODUCTION

- 1.1 On 23 June 2024, the Company announced that it had entered into the Convertible Loan Agreement with the Lender pursuant to which the Lender has agreed to grant to the Company the Convertible Loan Facility subject to the terms and conditions of the Convertible Loan Agreement.
- 1.2 The Directors of the Company are convening the EGM to seek Shareholders' approval for:
 - (a) the Proposed Issue of Conversion Shares pursuant to the Convertible Loan Agreement;

LETTER TO SHAREHOLDERS

- (b) the Proposed Issue of Conversion Shares to the Lender, being an Associate of a Director;
- (c) the Proposed Transfer of Controlling Interest in the Company to the Lender arising from the Proposed Issue of Conversion Shares;
- (d) the proposed grant of the Convertible Loan Facility by the Lender to the Company as an interested person transaction; and
- (e) the Proposed Whitewash Resolution.

Shareholders should note that the Ordinary Resolutions are inter-conditional. This means that if any of the Ordinary Resolutions is not approved, the other Ordinary Resolutions will not be deemed duly passed.

- 1.3 The purpose of this Circular is to explain the rationale for and to provide Shareholders with relevant information relating to the above, and to seek Shareholders' approval in respect of the same at the EGM.
- 1.4 The Company has appointed Vincent Lim & Associates LLC as the legal adviser to the Company in relation to this Circular.

2. THE PROPOSED ISSUE OF CONVERSION SHARES

2.1 Background

On 21 June 2024, the Company entered into the Convertible Loan Agreement with the Lender pursuant to which the Lender has agreed to grant to the Company a convertible loan of up to a maximum aggregate principal amount of S\$2,000,000 (the "**Loan**") which may be extended to the Company in four separate equal tranches on the same or different disbursement dates. All or any amount of the Loan extended, together with interests accrued thereon, under the Convertible Loan Agreement can be converted into Conversion Shares pursuant to the terms and conditions of the Convertible Loan Agreement.

2.2 Principal Terms of the Convertible Loan Agreement

Pursuant to the Convertible Loan Agreement, the Lender has agreed to grant the Loan on the following salient terms and conditions:

Loan Amount: Up to S\$2,000,000

Disbursement: The Lender shall advance the Loan to the Company in four separate equal tranches as follows:

- (a) S\$500,000 on or before the date falling seven business days from the date on which all of the Conditions (as defined below) have been fulfilled (the "**First Drawdown Date**");
- (b) S\$500,000 on any business day during the period of 24 months from the First Drawdown Date (the "**Availability Period**");

LETTER TO SHAREHOLDERS

(c) S\$500,000 on any business day during the Availability Period;
and

(d) S\$500,000 on any business day during the Availability Period.

Interest:

The Loan (or part thereof) shall bear interest at the rate of 6.9% per annum commencing on and from the disbursement date of the relevant tranche of the Loan. Such interest on the Loan (or part thereof) which is disbursed shall be paid by the Company quarterly in arrears to the Lender, up until the date on which a notice of Conversion (as defined below) is issued by the Lender to the Company or the date falling 24 months from the date of disbursement of the relevant tranche of the Loan (the "**Maturity Date**"), as the case may be.

Repayment:

The Company shall repay the outstanding Loan or any part thereof not converted into the Conversion Shares as follows:

(a) in full on the expiry of the Maturity Date of the relevant tranche of the Loan, or such other longer period as shall be agreed in writing by the Lender; or

(b) upon the occurrence of an event of default, with a default notice given by the Lender in accordance with the provisions of the Convertible Loan Agreement,

such date in each case hereinafter referred to as the "**Due Date**".

In the event the Company fails to pay any amount payable under the Convertible Loan Agreement on its Due Date, the Company shall pay in cash interest on such sum for the period from the Due Date thereof until the date of receipt by the Lender of such sum from the Company (both after as well as before judgment, if any) at a rate of 15.0% per annum ("**Default Interest**").

The Company shall, not later than one month before the Maturity Date, announce the Maturity Date on SGXNet and take reasonable steps to notify the Lender in writing of the Maturity Date.

Use of Proceeds:

The Company shall use the Loan exclusively for general working capital purposes of the Group.

Conversion:

The Lender shall have the right to convert all or any part of the outstanding Loan, including any interest accrued thereon but excluding any Default Interest payable ("**Convertible Sum**"), into Conversion Shares in its sole discretion, at any time from the First Drawdown Date, in accordance with the terms and conditions of the Convertible Loan Agreement (the "**Conversion**").

LETTER TO SHAREHOLDERS

Status of Conversion Shares: The Conversion Shares when issued, shall (a) be duly authorised and free from all charges, liens, pledges and other encumbrances whatsoever, (b) be validly issued and credited as fully paid-up Shares which are not subject to further call and (c) rank *pari passu* in all respects with the then existing Shares.

Conversion Price: S\$0.0405 for each Conversion Share, representing a 10% discount to the weighted average price of the Shares for trades done on the SGX-ST (i) on 19 June 2024, being the last full market day prior to the date on which the Convertible Loan Agreement was signed on which Shares were traded, or (ii) during the period of 30 market days on which Shares were traded immediately prior to the date on which the Convertible Loan Agreement was signed, whichever is the lower.

Adjustments: In all or any of the following events ("**Adjustment Events**") from time to time:

- (a) any consolidation or subdivision of Shares;
- (b) any issue by the Company of Shares credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature, other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) to Shareholders; or
- (c) an offer or invitation made by the Company to Shareholders under which they may acquire or subscribe for Shares by way of rights,

the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Adjustment Event by the following fraction:

$$\frac{A}{B}$$

Where:

- (i) A is the total number of issued Shares immediately before such Adjustment Event; and
- (ii) B is the total number of issued Shares immediately after such Adjustment Event.

Such adjustment to the Conversion Price shall be effective on the date on which the change in the total number of issued Shares takes effect.

LETTER TO SHAREHOLDERS

In the event that any adjustment to the Conversion Price shall be necessary as a result of any proposed Adjustment Event, the Company shall ensure that it does not undertake such proposed Adjustment Event, save and except where all applicable governmental and regulatory approvals (including without limitation the approval of the SGX-ST) required in connection with the adjustment of the Conversion Price and/or the issue of any additional Conversion Shares to be issued pursuant to the adjusted Conversion Price, is obtained and not revoked.

The Company shall announce any adjustment or amendment made to the terms of the Convertible Loan Agreement. In the case of an adjustment, the announcement must state the specific formula, whether the adjustment has been reviewed to be in accordance with the formula, the identity of the reviewer and its relationship to the Company. The Company shall appoint an approved bank (being any reputable bank, merchant bank, financial institution or holder of a capital markets services licence in Singapore that is regulated, licensed or approved by the MAS) or the Auditors for the time being of the Company to determine whether the adjustment (or modification or variation, if any) is fair and reasonable.

Any material amendment to the terms of the Convertible Loan Agreement after the First Drawdown Date to the advantage of the Lender shall be subject to the prior approval of Shareholders in a general meeting, except where the amendment is made pursuant to the terms of the Convertible Loan Agreement.

Conditions
Precedent:

The obligation of the Lender to advance the Loan is conditional upon the following (the “**Conditions**”):

- (a) the grant by the SIC (and the SIC not having revoked or repealed such grant) of the waiver of the obligation of Mr Ching Chiat Kwong to make a mandatory general offer under Rule 14 of the Takeover Code for the Shares not held by Mr Ching Chiat Kwong and/or his concert parties following the allotment and issue of the Conversion Shares pursuant to the Conversion, subject to (i) any conditions that the SIC may impose, provided that such conditions are reasonably acceptable to the Company and Mr Ching Chiat Kwong; and (ii) the Independent Shareholders approving at an extraordinary general meeting, the proposed ordinary resolution of the Company which if passed by the Independent Shareholders would result in a waiver by the Independent Shareholders of their right to receive a mandatory general offer from Mr Ching Chiat Kwong in connection with the allotment and issue of the Conversion Shares (the “**Whitewash Waiver**”);

LETTER TO SHAREHOLDERS

- (b) the listing and quotation notice from the SGX-ST approving the listing of and quotation for the Conversion Shares on the Catalist (the “LQN”) being obtained and such approval not being revoked or amended and, where such LQN is subject to conditions, such conditions are reasonably acceptable to the Company and Mr Ching Chiat Kwong; and
- (c) approval from the Independent Shareholders being obtained at an extraordinary general meeting, for the allotment and issue of the Conversion Shares pursuant to Rules 803, 804 and 805 of the Catalist Rules, the grant of the Convertible Loan Facility by the Lender to the Company, being an interested person transaction under the Catalist Rules, and for the Whitewash Waiver.

Liquidation:

Prior to the First Drawdown Date, the Lender shall have the option in its sole discretion by way of written notice to the Company to (a) proceed with the disbursement of the Loan in accordance with the terms and conditions of the Convertible Loan Agreement; or (b) terminate the Convertible Loan Agreement and the Company shall have no claims against the Lender for costs, damages, compensation or otherwise.

After the First Drawdown Date, (a) the Lender shall by written notice to the Company declare the occurrence of an event of default and that the Loan be immediately due and payable; (b) the Convertible Loan Agreement shall immediately terminate without prejudice to any claim the Lender may have against the Company for costs, damages, compensation or otherwise; and (c) to the extent that the Lender has not extended the Loan (in whole or in part), the Lender shall have no further obligations to make available to the Company, all or any of the Loan.

The terms and conditions of the Convertible Loan Agreement have been arrived at between the Company and the Lender, taking into consideration the working capital requirements of the Company, prevailing interest rate environment and general market conditions.

2.3 Listing and Quotation Notice

An application will be made by the Sponsor to the SGX-ST, for and on behalf of the Company, for the approval of the listing of and the quotation for the Conversion Shares on the Catalist. The Company will make the relevant announcement(s) to notify the Shareholders when the LQN from the SGX-ST is obtained.

The LQN to be obtained from the SGX-ST is not to be taken as an indication of the merits of the Proposed Issue of Conversion Shares, the Conversion Shares, the Company, its subsidiaries and their securities. The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.

LETTER TO SHAREHOLDERS

2.4 Rationale for the Entry into the Convertible Loan Agreement and Use of Proceeds

The Company is of the view that its entry into the Convertible Loan Agreement is beneficial to the Group as the proceeds from the Loan will enable the Group to meet its anticipated general working capital requirements and strengthen its financial position.

The estimated net proceeds from the Convertible Loan Facility, assuming that it is fully disbursed, after deducting estimated expenses of approximately S\$105,000, is approximately S\$1,895,000 (the “**Net Proceeds**”). The Company shall use the Net Proceeds entirely for general working capital purposes of the Group.

Pending the deployment of the Net Proceeds, it may be deposited with financial institutions in short term money markets or debt instruments or for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed and whether such a use is in accordance with the stated use, as well as a breakdown with specific details on how the Net Proceeds have been applied. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of the Net Proceeds in its announcements of financial results and its annual reports, if applicable.

The Directors are of the opinion that, after taking into consideration the Group’s present bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

2.5 Information on the Lender

The Lender is an exempt private company incorporated in Singapore, whose sole shareholder and director is Mr Ching Chiat Kwong. Mr Ching Chiat Kwong is the Non-Executive Non-Independent Chairman and Controlling Shareholder of the Company, holding a direct interest of approximately 27.85% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company.

3. THE PROPOSED ISSUE OF CONVERSION SHARES TO THE LENDER, BEING AN ASSOCIATE OF A DIRECTOR

Rule 804 of the Catalist Rules provides that except in certain cases, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment and such directors and associates must abstain from exercising any voting rights on the matter.

As the Conversion Shares will be allotted and issued to the Lender (being an Associate of Mr Ching Chiat Kwong, the Non-Executive Non-Independent Chairman and Controlling Shareholder of the Company) pursuant to the Convertible Loan Agreement, Shareholders’ approval is required to be obtained in connection with the Proposed Issue of Conversion Shares pursuant to Rule 804 of the Catalist Rules.

LETTER TO SHAREHOLDERS

Pursuant to Rule 804 of the Catalist Rules, Mr Ching Chiat Kwong shall abstain, and will procure that his Associates abstain, from exercising their voting rights in respect of all existing issued Shares owned by them, and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of Ordinary Resolution 2 to approve the Proposed Issue of Conversion Shares to the Lender. Accordingly, the Company will disregard any votes cast on Ordinary Resolution 2 by such persons required to abstain from voting in respect thereof.

4. THE PROPOSED TRANSFER OF CONTROLLING INTEREST

The issue of the maximum number of Conversion Shares to the Lender will result in a transfer of controlling interest in the Company to the Lender pursuant to Rule 803 of the Catalist Rules. Assuming that the Convertible Loan Facility is fully disbursed and the Loan and the maximum amount of interest accrued thereon (other than the Default Interest payable in cash) are fully converted into Conversion Shares, the maximum number of Conversion Shares that may be issued to the Lender, based on the Conversion Price (without any adjustments), will be 56,197,530 Conversion Shares.

The maximum number of Conversion Shares that may be issued to the Lender of 56,197,530 Conversion Shares represents approximately 20.37% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company as at the Latest Practicable Date and approximately 16.92% of the enlarged issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company following the issue of the maximum number of Conversion Shares to the Lender, assuming that there are no changes in the number of issued Shares of the Company before the completion of the Conversion.

Accordingly, Shareholders' approval for the proposed transfer of controlling interest in the Company to the Lender arising from the Conversion is required under Rule 803 of the Catalist Rules.

5. THE PROPOSED GRANT OF THE CONVERTIBLE LOAN FACILITY BY THE LENDER TO THE COMPANY AS AN INTERESTED PERSON TRANSACTION

5.1 Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions by an issuer (that is, a company which is listed on the SGX-ST), as well as transactions by the issuer's subsidiaries and associated companies that are considered to be "at risk", with the issuer's interested persons (that is, the issuer's directors, chief executive officer, controlling shareholders and their respective associates (as defined in the Catalist Rules)). In general, when a transaction with an interested person and the value of the transaction singly, or, in aggregation with the values of other transactions entered into with the same interested person in the same financial year, equals or exceeds 5% of the issuer's latest audited consolidated NTA, that transaction shall be subject to the approval of the shareholders of the issuer.

In view that the Lender is wholly-owned by Mr Ching Chiat Kwong, the Lender is an Associate of Mr Ching Chiat Kwong and hence is an interested person under Chapter 9 of the Catalist Rules. Accordingly, the proposed grant of the Convertible Loan Facility by the Lender to the Company is an interested person transaction for the purposes of Chapter 9 of the Catalist Rules.

LETTER TO SHAREHOLDERS

5.2 NTA

Based on the interest rate under the Convertible Loan Agreement of 6.9% per annum and the Maturity Date of 24 months from the date of disbursement of the relevant tranche of the Loan, the maximum amount of interest payable by the Company on the Loan of up to S\$2,000,000 will be S\$276,000. As the Loan and interests accrued thereon may be converted into Conversion Shares, the Company has deemed the value of the interested person transaction (being the proposed grant of the Convertible Loan Facility by the Lender to the Company) to be the aggregate price of the Conversion Shares, being S\$2,276,000. This represents approximately 53.33% of the latest audited consolidated NTA of the Group as at 31 December 2023.

5.3 Shareholders' Approval

In view of the foregoing, Shareholders' approval for the proposed grant of the Convertible Loan Facility by the Lender to the Company as an interested person transaction is required under Rule 906(1)(a) of the Catalist Rules.

5.4 Total Value of Interested Person Transactions

Save for the proposed grant of the Convertible Loan Facility by the Lender to the Company, there have been no other interested person transactions above S\$100,000 entered into by the Group since 1 January 2024 and up to the Latest Practicable Date.

6. THE PROPOSED WHITEWASH RESOLUTION

6.1 Mandatory offer obligation under the Takeover Code

Under Rule 14 of the Takeover Code, any person who acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of the Company must make a mandatory general offer for the shares which he does not already own or control. Furthermore, any person who, together with parties acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of the Company and such person, or any person acting in concert with him, acquires in any period of six months additional shares carrying more than 1% of the voting rights, must make a mandatory general offer for all the shares which he does not already own or control.

Assuming that the Convertible Loan Facility is fully disbursed and the Loan and the maximum amount of interest accrued thereon (other than the Default Interest payable in cash) are fully converted into Conversion Shares, the maximum number of Conversion Shares that may be issued to the Lender, based on the Conversion Price (without any adjustments), will be 56,197,530 Conversion Shares.

LETTER TO SHAREHOLDERS

The shareholding interests of the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date and immediately after the issue of the maximum number of Conversion Shares to the Lender, are set out below:

| | As at the Latest Practicable Date | | | | After issue of Conversion Shares | | | |
|-------------------------------------------------------|-----------------------------------|------------------|------------------|------------------|----------------------------------|------------------|------------------|------------------|
| | Direct Interest | | Deemed Interest | | Direct Interest | | Deemed Interest | |
| | Number of Shares | % ⁽¹⁾ | Number of Shares | % ⁽¹⁾ | Number of Shares | % ⁽²⁾ | Number of Shares | % ⁽²⁾ |
| Director | | | | | | | | |
| Ching Chiat Kwong | 76,826,612 ⁽³⁾ | 27.85 | – | – | 76,826,612 ⁽³⁾ | 23.14 | 56,197,530 | 16.92 |
| Shawn Ching Wei Hung | 140,000 | 0.05 | – | – | 140,000 | 0.04 | – | – |
| Yick Li Tsing | – | – | – | – | – | – | – | – |
| Chin Chen Keong | – | – | – | – | – | – | – | – |
| Ng Weng Sui Harry | 109,800 | 0.04 | – | – | 109,800 | 0.03 | – | – |
| Kesavan Nair | – | – | – | – | – | – | – | – |
| Yee Kee Shian, Leon | – | – | – | – | – | – | – | – |
| Substantial Shareholder (other than Directors) | | | | | | | | |
| Oxley Capital Management Pte. Ltd. (being the Lender) | – | – | – | – | 56,197,530 | 16.92 | – | – |
| Other Existing Shareholders | 198,766,725 | 72.06 | – | – | 198,766,725 | 59.87 | – | – |

Notes:

- (1) The percentages of issued share capital are calculated based on 275,843,137 issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the Latest Practicable Date.
- (2) The percentages of issued share capital are calculated based on 332,040,667 issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company immediately after the issue of the maximum number of Conversion Shares.
- (3) Mr Ching Chiat Kwong holds 68,115,113 Shares in his own name, and the balance 8,711,499 Shares are held through nominees.

Mr Ching Chiat Kwong, the Lender and parties acting in concert with them do not hold any instruments convertible into, rights to subscribe for or options in respect of Shares as at the Latest Practicable Date.

Based on the illustration above, upon the full conversion of the Loan, Mr Ching Chiat Kwong, the Lender and parties acting in concert with them will acquire 56,197,530 Shares and 16.92% of voting rights in the Company, and consequently have their aggregate shareholding interests in the Company increase from 76,966,612 Shares (27.90%) to 133,164,142 Shares (40.10%), while the Independent Shareholders (including Mr Harry Ng Weng Sui, who is not associated with or connected to and are independent of Mr Ching Chiat Kwong, the Lender and parties acting in concert with them) will have their aggregate shareholding interests diluted from 72.10% to 59.90%. Accordingly, Mr Ching Chiat Kwong, the Lender and parties acting in concert with them will hold in aggregate more than 30% of the voting rights in the Company, thereby incurring an obligation to make a mandatory general offer under Rule 14 of the Takeover Code.

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In addition, the conversion of all or any part of the outstanding Loan, including any interest accrued thereon, into Conversion Shares, is at the Lender's sole discretion. Conversion can be done at any time from the First Drawdown Date. Consequently, instead of once-off Conversions at each tranche, the Lender may undertake multiple Conversions at any time. In every event of such Conversion, the following may result:

- (a) Mr Ching Chiat Kwong, the Lender and parties acting in concert with them holding more than 30% of the voting rights in the Company; or
- (b) where the Mr Ching Chiat Kwong, the Lender and parties acting in concert with them hold not less than 30% but not more than 50% of the voting rights in the Company, and pursuant to the issuance of Conversion Shares due to such Conversion, Mr Ching Chiat Kwong, the Lender and parties acting in concert with them would have acquired in a period of six months, additional Shares carrying more than 1% of the voting rights in the Company.

Where either of the above occurs, Mr Ching Chiat Kwong, the Lender and parties acting in concert with them will incur an obligation to make a mandatory general offer for the Shares under Rule 14 of the Takeover Code.

As there is no intention to trigger a mandatory take-over obligation under the Takeover Code arising from the Proposed Issue of Conversion Shares, an application was made to the SIC for a waiver of the obligation of Mr Ching Chiat Kwong, the Lender and parties acting in concert with them to make a mandatory general offer for the Shares under Rule 14.1 of the Takeover Code as a result of the allotment and issue of the Conversion Shares pursuant to the Conversion.

6.2 Whitewash Waiver

The SIC had on 23 August 2024 granted the Whitewash Waiver subject to, *inter alia*, the satisfaction of the following conditions (collectively, the "**SIC Conditions**"):

- (a) a majority of holders of voting rights of the Company approve at a general meeting, before the Proposed Issue of Conversion Shares to the Lender, the Proposed Whitewash Resolution by way of a poll;
- (b) the Proposed Whitewash Resolution is separate from other resolutions;
- (c) the Lender and its respective concert parties, as well as parties not independent of them abstain from voting on the Proposed Whitewash Resolution;
- (d) the Lender and its respective concert parties did not acquire or is not to acquire any Shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in this Circular:
 - (i) during the period between the Announcement Date and the date Independent Shareholders' approval is obtained for the Proposed Whitewash Resolution; and
 - (ii) in the six months prior to the Announcement Date but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors of the Company in relation to the Proposed Issue of Conversion Shares;

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- (e) the Company appoints an independent financial adviser to advise the Independent Shareholders on the Proposed Whitewash Resolution;
- (f) the Company sets out clearly in this Circular:
 - (i) details of the maximum number of Conversion Shares that may be issued to the Lender and the Proposed Issue of Conversion Shares;
 - (ii) the dilution effect to existing holders of voting rights upon the issue of the Conversion Shares;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares in the Company held by the Lender and its respective concert parties as at the Latest Practicable Date;
 - (iv) the number and percentage of voting rights to be acquired by the Lender and its respective concert parties as a result of the Lender's subscription of the Conversion Shares under the Proposed Issue of Conversion Shares;
 - (v) specific and prominent reference to the fact that Shareholders, by voting for the Proposed Whitewash Resolution, are waiving their rights to a general offer from the Lender and its respective concert parties at the highest price paid by any of them for the Shares of the Company in the six months preceding the Announcement Date; and
 - (vi) specific and prominent reference to the possibility that Shareholders by voting for the Proposed Whitewash Resolution, could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Convertible Loan Facility;
- (g) this Circular stating that the Whitewash Waiver granted by the SIC to the Lender from the requirement to make a general offer under Rule 14 of the Takeover Code is subject to the conditions stated at sub-paragraphs (a) to (f) above;
- (h) the Company obtains the SIC's approval in advance for those parts of this Circular that refer to the Proposed Whitewash Resolution; and
- (i) to rely on the Proposed Whitewash Resolution, the approval of the Proposed Whitewash Resolution must be obtained within three months of the date of the letter received from the SIC for the Whitewash Waiver, the issue of the Convertible Loan Facility must be completed within three months of the approval of the Proposed Whitewash Resolution and the subscription of the Conversion Shares by the Lender under the Proposed Issue of Conversion Shares, must be completed within five years of the issue of the Convertible Loan Facility.

As at the Latest Practicable Date, save for the condition regarding the approval by the Independent Shareholders of the Proposed Whitewash Resolution, all of the other SIC Conditions set out above have been satisfied.

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6.3 Proposed Whitewash Resolution

Independent Shareholders are requested to vote, by way of a poll, on the Proposed Whitewash Resolution set out as in Ordinary Resolution 5 in the Notice of EGM, waiving their rights to receive a mandatory general offer from Mr Ching Chiat Kwong, the Lender and parties acting in concert with them for the remaining Shares not already owned or controlled by them.

6.4 Advice to Independent Shareholders

Independent Shareholders should note that:

- (a) by voting in favour of the Proposed Whitewash Resolution, they will be waiving their rights to receive a mandatory general offer from Mr Ching Chiat Kwong, the Lender and parties acting in concert with them for the Shares at the highest price paid by any of them for the Shares in the six months preceding the Announcement Date;**
- (b) by voting in favour of the Proposed Whitewash Resolution, they could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Convertible Loan Facility; and**
- (c) approval of the Proposed Whitewash Resolution is a condition precedent to the grant of the Convertible Loan Facility by the Lender to the Company. Accordingly, in the event that the Proposed Whitewash Resolution is not passed by the Independent Shareholders, the grant of the Convertible Loan Facility by the Lender to the Company will not take place.**

7. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

7.1 The Proposed Grant of the Convertible Loan Facility by the Lender to the Company as an Interested Person Transaction

Evolve Capital Advisory Private Limited has been appointed as the IFA to advise the Independent Directors in respect of the proposed grant of the Convertible Loan Facility by the Lender to the Company as an interested person transaction and to opine on whether the proposed grant of the Convertible Loan Facility, as an interested person transaction, is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders.

Having considered the factors as set out in the IFA Letter and subject to the assumptions and qualifications set out in the IFA Letter, the IFA is of the opinion that the proposed grant of the Convertible Loan Facility by the Lender to the Company, as an interested person transaction, is on normal commercial terms and not prejudicial to the interests of the Company and the Independent Shareholders.

Shareholders are advised to read and consider the IFA Letter for the proposed grant of the Convertible Loan Facility by the Lender to the Company as an interested person transaction in its entirety as reproduced in Appendix A to this Circular and consider carefully the recommendations of the Independent Directors for the proposed grant of the Convertible Loan Facility.

LETTER TO SHAREHOLDERS

7.2 The Proposed Whitewash Resolution

Evolve Capital Advisory Private Limited has been appointed as the IFA to advise the Independent Directors in relation to the Proposed Whitewash Resolution.

A copy of the IFA Letter is set out in Appendix A to this Circular. **Shareholders are advised to read the IFA Letter carefully.**

The advice of the IFA and the key factors it has taken into consideration have been extracted from the IFA Letter and are reproduced below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter:

“In arriving at our opinion in respect of the Proposed IPT and the Proposed Whitewash Resolution, we have considered and evaluated factors which we deem to have significant relevance to our assessment, particularly the key factors which are described in Paragraph 6 of this IFA Letter (which should be read in conjunction with, and in the full context of, the Circular and this IFA Letter), inter alia, the following:

- (a) the rationale for the Proposed IPT;*
- (b) the financial performance and financial position of the Group;*
- (c) the rate of the Loan is comparable to the interest rate of the Existing Loan Facilities;*
- (d) the period of up to 24 months for the conversion of the Convertible Loan Facility;*
- (e) assessment of the financial terms of the Convertible Loan Facility as set out under Paragraph 6.4 of this IFA Letter;*
- (f) assessment of the Conversion Price as set out under Paragraph 6.5 of this IFA Letter;*
- (g) the financial effects of the Proposed IPT as set out under Paragraph 6.6 of this IFA Letter; and*
- (h) other relevant considerations for the Proposed IPT.*

Having regard to the foregoing considerations set out in this IFA Letter and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed IPT is on normal commercial terms and will not be prejudicial to the interests of the Company and its Independent Shareholders.

We are of the opinion that the Proposed Whitewash Resolution is fair and reasonable, and will not be prejudicial to the interests of the Company and its Independent Shareholders. Correspondingly, we are of the opinion that the Proposed IPT is fair and reasonable, and will not be prejudicial to the interests of the Company and its Independent Shareholders.

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We consider the Proposed Whitewash Resolution and the Proposed IPT to be FAIR after taking into consideration the following factors:

- (a) The 6.9% interest rate per annum of the Convertible Loan Facility is comparable to the interest rates of the Existing Loan Facilities.*
- (b) The repayment period of up to 24 months for the conversion of the Convertible Loan Facility allows the Group to have more flexibility in its repayment.*
- (c) The terms of the Convertible Loan Facility is comparable to the Recent Convertible Financial Instruments.*
- (d) The Conversion Price represents a premium of 8.6%, a discount of 12.4%, 16.5%, 17.5% and 30.4% of the VWAP of the Shares as at the last full day of trading of the Shares prior to the Latest Practicable Date, and for the 1-month, 3-month, 6-month and 1-year periods prior to the date of the Announcement, respectively.*
- (e) The Conversion Price represents a premium of approximately 234.71% over the NAV per Share of the Group as at 30 June 2024, which is not dilutive to the Group's NAV and nor the interest of the Independent Shareholders.*

We consider the Proposed Whitewash Resolution and the Proposed IPT to be REASONABLE after taking into consideration the following factors:

- (a) There were no other viable alternative financing options available to the Group which were more favourable compared with the Proposed IPT, in view of the Group's weak financial position.*
- (b) The inter-conditionality of the Proposed IPT and Proposed Whitewash Resolution where if any of the resolutions is not approved the other resolutions will not be passed.*
- (c) The commentary by the Company on its business outlook where the Company would need the proceeds from the Convertible Loan Facility to meet its anticipated general working capital requirements and strengthen its financial position and hence, their position in the market, to be able to capitalise on the growth opportunities highlighted.*

This letter has been prepared for the use of the Independent Directors in their consideration of the Proposed IPT and the Proposed Whitewash Resolution. The recommendations made by the Independent Directors to the Shareholders in relation to the Proposed IPT and the Proposed Whitewash Resolution shall remain the sole responsibility of the Independent Directors."

8. STATEMENT OF THE AUDIT COMMITTEE

The Audit Committee has considered the terms and conditions of the Convertible Loan Agreement and the opinion of the IFA as set out in the IFA Letter, and is of the view that the proposed grant of the Convertible Loan Facility by the Lender to the Company, as an interested person transaction, is on normal commercial terms and not prejudicial to the interests of the Company and the Independent Shareholders.

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9. FINANCIAL EFFECTS OF THE PROPOSED ISSUE OF CONVERSION SHARES

9.1 Assumptions

The financial effects of the allotment and issue of the maximum number of Conversion Shares on the share capital, the net assets value (“NAV”) per Share and the loss per Share (“LPS”) of the Group are set out below. The financial effects which have been prepared based on the audited consolidated financial statements of the Group for FY2023, are purely for illustrative purposes only and do not reflect the actual financial position of the Group after the allotment and issue of the Conversion Shares.

For illustration purposes only, the financial effects of the allotment and issue of the maximum number of Conversion Shares have been computed based on the following assumptions:

- (a) the financial effects on the share capital and the NAV per Share of the Group have been computed assuming that the allotment and issue of the maximum number of Conversion Shares was completed on 31 December 2023;
- (b) the financial effects on the LPS of the Group have been computed assuming that the allotment and issue of the maximum number of Conversion Shares was completed on 1 January 2023;
- (c) the Lender exercises its right to convert at the Conversion Price (without any adjustments);
- (d) no other new Shares are issued during the period from the Latest Practicable Date until the allotment and issue of the maximum number of Conversion Shares; and
- (e) the estimated expenses in connection with the Convertible Loan Facility of approximately S\$105,000 is capitalised against share capital.

9.2 Share Capital

| As at 31 December 2023 | Before issue of Conversion Shares | After issue of Conversion Shares |
|----------------------------------|------------------------------------------|-----------------------------------------|
| Number of Shares | 275,843,137 | 332,040,667 |
| Issued and paid-up capital (S\$) | 176,374,979 | 178,545,979 |

9.3 NAV per Share

| As at 31 December 2023 | Before issue of Conversion Shares | After issue of Conversion Shares |
|-------------------------------|------------------------------------------|-----------------------------------------|
| NAV ⁽¹⁾ (S\$'000) | 4,525 | 6,696 |
| Number of Shares | 275,843,137 | 332,040,667 |
| NAV per Share (cents) | 1.64 | 2.02 |

Note:

- (1) NAV is computed based on the equity attributable to owners of the Company.

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9.4 LPS

| For FY2023 | Before issue of Conversion Shares | After issue of Conversion Shares |
|------------------------------------------------------|--------------------------------------|-------------------------------------|
| Loss attributable to owners of the Company (S\$'000) | (1,360) | (1,360) |
| Number of Shares | 275,843,137 | 332,040,667 |
| LPS (cents) | 0.49 | 0.41 |

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the share capital of the Company as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders kept by the Company, are as follows:

| | Direct Interest | | Deemed Interest | |
|------------------------------------------------------------|---------------------------|------------------|---------------------|------------------|
| | Number of Shares | % ⁽¹⁾ | Number of Shares | % ⁽¹⁾ |
| Directors | | | | |
| Ching Chiat Kwong | 76,826,612 ⁽²⁾ | 27.85 | – | – |
| Shawn Ching Wei Hung | 140,000 | 0.05 | – | – |
| Yick Li Tsin | – | – | – | – |
| Ng Weng Sui Harry | 109,800 | 0.04 | – | – |
| Kesavan Nair | – | – | – | – |
| Chin Chen Keong | – | – | – | – |
| Yee Kee Shian, Leon | – | – | – | – |
| Substantial Shareholders (other than Directors) | | | | |
| | – | – | – | – |

Notes:

- (1) The percentages of issued share capital are calculated based on 275,843,137 issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the Latest Practicable Date.
- (2) Mr Ching Chiat Kwong holds 68,115,113 Shares in his own name, and the balance 8,711,499 Shares are held through nominees.

The sole shareholder and director of the Lender, Mr Ching Chiat Kwong, is the Non-Executive Non-Independent Chairman of the Company and a Controlling Shareholder, as well as the father of Mr Shawn Ching Wei Hung, who is the Non-Executive Non-Independent Deputy Chairman of the Company and a Shareholder, holding a direct interest of approximately 0.05% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company.

Save as disclosed above, none of the Directors, Controlling Shareholders or their respective Associates has any interest, direct or indirect, in the proposed Convertible Loan Facility, other than through their respective shareholdings (if any) in the Company.

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11. DIRECTORS' RECOMMENDATIONS

11.1 The Proposed Issue of Conversion Shares

The Independent Directors, having considered, amongst others, the terms and conditions, rationale, intended use of proceeds and financial effects of the Proposed Issue of Conversion Shares, and all other relevant information set out in this Circular, are of the opinion that the Proposed Issue of Conversion Shares is in the best interests of the Company, and accordingly recommend that Independent Shareholders vote in favour of Ordinary Resolution 1 as set out in the Notice of EGM.

11.2 The Proposed Issue of Conversion Shares to the Lender, being an Associate of a Director

The Independent Directors, having considered, amongst others, the terms and conditions, rationale, intended use of proceeds and financial effects of the Proposed Issue of Conversion Shares, and all other relevant information set out in this Circular, are of the opinion that the Proposed Issue of Conversion Shares to the Lender, being an Associate of a Director is in the best interests of the Company, and accordingly recommend that Independent Shareholders vote in favour of Ordinary Resolution 2 as set out in the Notice of EGM.

11.3 The Proposed Transfer of Controlling Interest

The Independent Directors, having considered, amongst others, the terms and conditions, rationale, intended use of proceeds and financial effects of the Proposed Issue of Conversion Shares, and all other relevant information set out in this Circular, are of the opinion that the Proposed Transfer of Controlling Interest is in the best interests of the Company, and accordingly recommend that Independent Shareholders vote in favour of Ordinary Resolution 3 as set out in the Notice of EGM.

11.4 The Proposed Grant of the Convertible Loan Facility by the Lender to the Company as an Interested Person Transaction

The Independent Directors, having considered, amongst others, the rationale for the proposed grant of the Convertible Loan Facility by the Lender to the Company, concur with the advice of the IFA and believe that the proposed grant of the Convertible Loan Facility by the Lender to the Company as an interested person transaction is in the interests of the Company and the Independent Shareholders. Accordingly, they recommend that Independent Shareholders vote in favour of Ordinary Resolution 4 as set out in the Notice of EGM.

11.5 The Proposed Whitewash Resolution

The Independent Directors, having considered, amongst others, the rationale for the Proposed Issue of Conversion Shares, concur with the advice of the IFA and believe that the Proposed Whitewash Resolution is in the interests of the Company and the Independent Shareholders. Accordingly, they recommend that Independent Shareholders vote in favour of Ordinary Resolution 5 as set out in the Notice of EGM.

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Shareholders are advised to read this Circular in its entirety, in particular the terms of, the rationale for and the financial effects of the Convertible Loan Facility and the Proposed Issue of Conversion Shares, and for those who may require advice in the context of their specific investment, to consult their bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser.

12. EXTRAORDINARY GENERAL MEETING

The EGM will be held at 137 Cecil Street, Cecil Building, #05-02, Singapore 069537 on Thursday, 19 December 2024 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions as set out in the Notice of EGM.

13. ABSTENTION FROM VOTING

Mr Ching Chiat Kwong, the Lender and their respective Associates will abstain from voting on the Ordinary Resolutions as set out in the Notice of EGM. Mr Ching Chiat Kwong and the Lender have undertaken to the Company to abstain and procure that their respective Associates abstain from voting on the Ordinary Resolutions.

Furthermore, Mr Ching Chiat Kwong and the Lender shall decline, and ensure that their respective Associates decline to accept appointment as proxy/proxies to vote at the EGM in respect of the Ordinary Resolutions for other Shareholders unless the Shareholders concerned shall have given specific instructions as to the manner in which his votes are to be cast at the EGM.

14. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend on their behalf are requested to complete and sign the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon and submit in the following manner:

- (a) personally or by post to the office of the Company's Share Registrar at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
- (b) by electronic mail to shareregistry@incorp.asia,

so as to be received not less than 72 hours before the time fixed for the EGM, failing which the Proxy Form will be treated as invalid. The completion and lodgement of the Proxy Form by a Shareholder will not prevent him from attending, speaking and voting at the EGM in person if he so wishes.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register, as certified by CDP to the Company, as at 72 hours before the time fixed for the EGM.

15. CONSENT

The IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter dated 4 December 2024 and all references thereto, in the form and context in which they appear in this Circular.

LETTER TO SHAREHOLDERS

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Issue of Conversion Shares, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by prior appointment at the registered office of the Company at 138 Cecil Street, #08-01 Cecil Court, Singapore 069538, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Constitution of the Company;
- (b) the Convertible Loan Agreement;
- (c) the IFA Letter as set out in Appendix A to this Circular;
- (d) the consent letter referred to in Section 15 of this Circular; and
- (e) the Annual Report of the Company for FY2023.

Yours faithfully

For and on behalf of the Board of Directors of
XPAY FINANCIAL LIMITED

Yick Li Tsin
Executive Director and Chief Executive Officer

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EVOLVE CAPITAL ADVISORY PRIVATE LIMITED

(Company Registration Number: 201718400R)
(Incorporated in the Republic of Singapore)
160 Robinson Road, #20-01/02, SBF Center,
Singapore 068914

4 December 2024

To: The Independent Directors of OxPay Financial Limited
(deemed to be independent in respect of the Proposed IPT and the Proposed Whitewash Resolution)

| | |
|------------------------|--------------------------------------------------|
| Mr Yick Li Tsin | (Executive Director and Chief Executive Officer) |
| Mr Ng Weng Sui Harry | (Non-Executive Non-Independent Director) |
| Mr Kesavan Nair | (Non-Executive Lead Independent Director) |
| Mr Chin Chen Keong | (Non-Executive Independent Director) |
| Mr Yee Kee Shian, Leon | (Non-Executive Independent Director) |

Dear Sirs,

INDEPENDENT FINANCIAL ADVICE TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE PROPOSED IPT AND THE PROPOSED WHITEWASH RESOLUTION

Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 4 December 2024 (“Circular”) issued by the Company to the shareholders of the Company (“Shareholders”) shall have the same meaning herein.

1. INTRODUCTION

On 23 June 2024 (“**Announcement Date**”), OxPay Financial Limited (“**Company**” and together with its subsidiaries, “**Group**”) announced that it had, on 21 June 2024, entered into a convertible loan agreement (“**Convertible Loan Agreement**”) with Oxley Capital Management Pte. Ltd. (“**Lender**”) pursuant to which the Lender has agreed to grant to the Company a convertible loan facility of a principal amount of up to S\$2.0 million (“**Loan**”) on and subject to the terms and conditions of the Convertible Loan Agreement (“**Convertible Loan Facility**”).

Pursuant to the Convertible Loan Agreement, the Loan bears an interest of 6.9% per annum. Assuming that the Convertible Loan Facility is fully disbursed and the Loan and the maximum amount of interest accrued thereon are fully converted into ordinary shares in the capital of the Company (“**Shares**”) at the conversion price of S\$0.0405 per Share (“**Conversion Price**”), 56,197,530 Shares (“**Conversion Shares**”) would be allotted and issued by the Company to the Lender.

The Lender is an exempt private company incorporated in Singapore, whose sole shareholder and director is Mr Ching Chiat Kwong (“**Mr Ching**”). Mr Ching is the Non-Executive Non-Independent Chairman of the Company, holding a direct interest of approximately 27.85% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company (“**Existing Issued Share Capital**”). Accordingly, Mr Ching is a ‘controlling shareholder’ (“**Controlling Shareholder**”) and an ‘interested person’ under the Catalist Rules (“**Interested Person**”), and the proposed Convertible Loan Facility is regarded as ‘interested person transaction’ under Chapter 9 of the Catalist Rules (“**Proposed IPT**”).

As at the Latest Practicable Date, the Controlling Shareholder holds a direct interest of approximately 27.85% of the Existing Issued Share Capital. Mr Shawn Ching Wei Hung, the Non-Executive Non-Independent Deputy Chairman of the Company, is the son of Mr Ching. Pursuant to Rule 804 of the Catalist Rules, Mr Ching shall abstain, and will procure that his associates abstain, from exercising their voting rights in respect of all existing issued Shares owned by them, and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the Ordinary Resolutions as set out in the Notice of EGM.

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Based on the interest rate under the Convertible Loan Agreement of 6.9% per annum and the Maturity Date of up to 24 months from the date of disbursement of the relevant tranche of the Loan, the maximum amount of interest payable by the Company on the Loan will be S\$276,000. As the Loan and interests accrued thereon may be converted into Conversion Shares, the Company has deemed the value of the Proposed IPT, being the grant of the Convertible Loan Facility by the Lender to the Company, to be the aggregate price of the Conversion Shares, being S\$2,276,000. This represents approximately 53.33% of the latest audited consolidated NTA of the Group as at 31 December 2023.

As such, the Proposed IPT will exceed the threshold under Rule 906(1) of the Catalist Rules and the Proposed IPT is subject to the approval of Shareholders save for Mr Ching and his associates (“**Independent Shareholders**”). Accordingly, the Company is convening an extraordinary general meeting (“**EGM**”) to seek Independent Shareholders’ approval for the Proposed IPT.

Under Rule 14 of the Singapore Code on Take-overs and Mergers (“**Takeover Code**”), where: (a) any person acquires whether by a series of transactions over a period of time or not, shares (which taken together with shares held or acquired by persons acting in concert with him) carrying 30.0% or more of the voting rights in the company; or (b) any person who together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights in the company and such person, or any person acting in concert with him, acquires in any period of six months additional shares carrying more than 1.0% of the voting rights (each a “**Mandatory Offer Threshold**”), he is required to make a mandatory general offer for all the shares in the company which he does not already own or control (“**Mandatory Offer**”).

As at the Announcement Date, Mr Ching holds 76,826,612 Shares, representing approximately 27.85% of the Existing Issued Share Capital. In view of the Convertible Loan Facility, the Proposed IPT will result in Mr Ching and his concert parties holding an aggregate shareholding interest which is equal to or more than 30.0% in the Company after the proposed issue of Conversion Shares, and thus triggering the Mandatory Offer. In such an event, the Mr Ching and his concert parties would incur an obligation to make the Mandatory Offer pursuant to Rule 14.1(a) of the Code, unless such obligation is waived by the Securities Industry Council (“**SIC**”). Accordingly, an application has been made to the SIC for, *inter alia*, a waiver of the obligation of the Mr Ching and his concert parties to make the Mandatory Offer as a result of the Proposed IPT (“**Whitewash Waiver**”).

The SIC has on 23 August 2024 granted the Whitewash Waiver to Mr Ching and his concert parties in the event that Mr Ching and his concert parties incur an obligation to make a Mandatory Offer as a result of the Convertible Loan Facility, subject to the satisfaction of certain conditions, including *inter alia*, (i) the approval of the proposed whitewash resolution (“**Proposed Whitewash Resolution**”) by the Independent Shareholders voting by way of a poll at the EGM to waive their rights to receive a general offer from Mr Ching and his concert parties; (ii) Mr Ching and his concert parties abstain from voting on the Proposed Whitewash Resolution; and (iii) the appointment of an independent financial adviser (“**IFA**”) to advise the Independent Shareholders on the Proposed Whitewash Resolution.

Mr Ching and Mr Shawn Ching Wei Hung, being Mr Ching’s concert party, are deemed interested in the Proposed Whitewash Resolution and will abstain from making any recommendation on the Proposed Whitewash Resolution. The remaining directors who are considered independent in relation to the Proposed IPT and the Proposed Whitewash Resolution, namely, Mr Yick Li Tsin, Mr Ng Weng Sui Harry, Mr Kesavan Nair, Mr Chin Chen Keong and Mr Yee Kee Shian, Leon (“**Independent Directors**”), will be making a recommendation on the resolutions in relation to the Proposed IPT and the Proposed Whitewash Resolution.

In relation to the above, Evolve Capital Advisory Private Limited (“**ECA**”) has been appointed by the Company to act as the independent financial adviser (“**IFA**”) in relation to: (i) pursuant to Rule 921(4) of the Catalist Rules to advise the Independent Directors whether the Proposed IPT is on normal commercial terms and will not be prejudicial to the interests of the Company

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and its Independent Shareholders; and (ii) pursuant to Rule 14 of the Takeover Code to advise on the Proposed Whitewash Resolution.

This letter (“**Letter**”) is addressed to the Independent Directors and sets out, *inter alia*, our views and evaluation of the Proposed IPT and the Proposed Whitewash Resolution, our opinion thereon, and forms part of the Circular providing, *inter alia*, details of the Proposed IPT and the Proposed Whitewash Resolution, and the recommendation of the Independent Directors and it is to be despatched to Shareholders in relation to the Proposed IPT and the Proposed Whitewash Resolution.

2. TERMS OF REFERENCE

We have been appointed to advise the Independent Directors on the Proposed IPT and the Proposed Whitewash Resolution in compliance with the Catalist Rules and/or the provisions of the Code and. We have confined our evaluation to the financial terms of the Proposed IPT and the Proposed Whitewash Resolution and have not taken into account the commercial risks and/or commercial merits of the Proposed IPT and the Proposed Whitewash Resolution.

Our terms of reference do not require us to evaluate or comment on the rationale for, or the strategic or long-term merits of the Proposed IPT and the Proposed Whitewash Resolution or on the future prospects of the Company and/or the Group or the method and terms by which the Proposed IPT and the Proposed Whitewash Resolution is made or any other alternative methods by which the Proposed IPT and the Proposed Whitewash Resolution may be made. Such evaluations and comments remain the sole responsibility of the Directors, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

We are not authorised, and we have not solicited any indications of interest from any third party with respect to the Shares. We are, therefore, not addressing the relative merits of the Proposed IPT and the Proposed Whitewash Resolution as compared to any alternative transaction that may be available to the Company (or its Shareholders), or as compared to any alternative offer that might otherwise be available in the future.

In the course of our evaluation of the financial terms of the Proposed IPT and the Proposed Whitewash Resolution, we have relied on and assumed, without independent verification, the accuracy and completeness of published information relating to the Group. We have also relied on information provided and representations made, including relevant financial analyses and estimates, by the management of the Company (“**Management**”), the Directors, the Company’s solicitors and auditors. We have not independently verified such information or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information, representation or assurance. We have nevertheless made such reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information.

We have relied upon the assurances of the Directors that, upon making all reasonable inquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Proposed IPT and the Proposed Whitewash Resolution, the Company and/or the Group has been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors jointly and severally accept responsibility accordingly.

For the purposes of assessing the financial terms of the Proposed IPT and the Proposed Whitewash Resolution and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts with respect to the Company and/or the Group. We will not be

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required to express, and we do not express, any view on the growth prospects and earnings potential of the Company and/or the Group in connection with our opinion in this Letter.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including, without limitation, property, plant and equipment).

We will be relying on the disclosures and representations made by the Company regarding the value of the assets, liabilities, and profitability of the Company and/or the Group. We have not been furnished with any such evaluation or appraisal. We have not relied on any financial projections or forecasts in respect of the Company and/or the Group for the purpose of our evaluation of the Proposed IPT and the Proposed Whitewash Resolution.

Our analysis and our opinion as set out in this Letter are based upon market, economic, industry, monetary and other conditions in effect on, and the information provided to us as at 21 November 2024 (“**Latest Practicable Date**”). Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should further take note of any announcements relevant to their consideration of the Proposed IPT and the Proposed Whitewash Resolution which may be released by the Company after the Latest Practicable Date.

In rendering our opinion, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, or other professional adviser immediately. As such, our opinion should not be the sole basis for deciding whether or not to vote for or against the Proposed IPT and the Proposed Whitewash Resolution.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this Letter).

Our opinion in respect of the Proposed IPT and the Proposed Whitewash Resolution, as set out in Paragraph 7 of this Letter, should be considered in the context of the entirety of this Letter and the Circular.

3. INFORMATION ON THE COMPANY AND THE GROUP

3.1 Overview

The Group was established in 2005 as an online-to-offline financial services technology provider with a fully integrated platform that allows both online and offline merchants to run and grow their businesses easily. The Group’s role as an enabler in the payment ecosystem provides merchants with the ability to seamlessly manage payment collection, improve operational efficiency and increase sales completion rate. The Group’s brand presence within the Southeast Asia region is a testament to the effectiveness and reliability of its secured payment platform in helping businesses meet the changing needs of their industries. The Group primarily operates in the following business segments:

(a) Merchant Payment Services (“**MPS**”)

The Group provides payment processing services through a unified platform and smart software, which are designed for merchants with physical stores, websites, or applications, enabling integration with any smart devices including mobile phones, tablets, and Smart point-of-sale (“**POS**”) terminals.

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(b) Digital Commerce Enabling Solutions (“DCES”)

Provision of ancillary services, such as the sale and lease of Smart POS terminals, and provision of both proprietary and licensed software-as-a-service which can be white-labeled. This segment also develops bespoke software solutions for its merchants, and tokenisation/detokenisation services.

3.2 Listing on SGX-ST

The Group was listed on the Catalist Board of the SGX-ST as MC Payment Limited (“**MC Payment**”) via a reverse take-over (“**RTO**”) of Artivision Technologies Ltd (“**Artivision**”) on 18 February 2021. Subsequent to the RTO, Mr Ching and Mr Shawn Ching Wei Hung were appointed as the Non-Executive Non-Independent Directors of the Company on 30 June 2021. On 7 July 2021, Mr Ching was redesignated as the Non-Executive Non-Independent Chairman of the Company. On 28 July 2021, Mr Shawn Ching Wei Hung was redesignated as the Non-Executive Non-Independent Deputy Chairman of the Company. The Company’s name was changed to OxPay Financial Limited on 2 September 2021.

Prior to the RTO, Mr Ching was the controlling shareholder of Artivision, with a direct interest of approximately 24.59% of the issued share capital in Artivision. Subsequent to the RTO, Mr Ching had a direct interest of approximately 28.09% of the issued share capital in MC Payment. As at the Latest Practicable Date, Mr Ching and Mr Shawn Ching Wei Hung hold a direct interest of approximately 27.85% and 0.05% of the Existing Issued Share Capital.

4. THE PROPOSED IPT

4.1 The Lender

As mentioned in Paragraph 1 above, the Lender is an exempt private company incorporated in Singapore, whose sole shareholder and director is Mr Ching. Mr Ching is the Non-Executive Non-Independent Chairman of the Company, holding a direct interest of approximately 27.85% of the Existing Issued Share Capital.

4.2 Convertible Loan Facility

Pursuant to the Convertible Loan Agreement, the Lender has agreed to grant to the Company the Convertible Loan Facility of a principal amount of up to S\$2.0 million. The terms of the Convertible Loan Agreement have been arrived at between the Company and the Lender, taking into consideration the working capital requirements of the Company, prevailing interest rate environment and general market conditions.

4.3 Principal Terms of the Convertible Loan Agreement

The salient terms of the Convertible Loan Agreement have been extracted from Section 2.2 of the Circular and are set out in italics below:

Loan Amount: Up to S\$2,000,000

Disbursement: The Lender shall advance the Loan to the Company in four separate equal tranches as follows:

- (a) S\$500,000 on or before the date falling seven business days from the date on which all of the Conditions (as defined below) have been fulfilled (the “**First Drawdown Date**”);*
- (b) S\$500,000 on any business day during the period of 24 months from the First Drawdown Date (the “**Availability Period**”);*
- (c) S\$500,000 on any business day during the Availability Period; and*

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(d) S\$500,000 on any business day during the Availability Period.

Interest: The Loan (or part thereof) shall bear interest at the rate of 6.9% per annum commencing on and from the disbursement date of the relevant tranche of the Loan. Such interest on the Loan (or part thereof) which is disbursed shall be paid by the Company quarterly in arrears to the Lender, up until the date on which a notice of Conversion (as defined below) is issued by the Lender to the Company or the date falling 24 months from the date of disbursement of the relevant tranche of the Loan (the “**Maturity Date**”), as the case may be.

Repayment: The Company shall repay the outstanding Loan or any part thereof not converted into the Conversion Shares as follows:

(a) in full on the expiry of the Maturity Date of the relevant tranche of the Loan, or such other longer period as shall be agreed in writing by the Lender; or

(b) upon the occurrence of an event of default, with a default notice given by the Lender in accordance with the provisions of the Convertible Loan Agreement,

such date in each case hereinafter referred to as the “**Due Date**”.

In the event the Company fails to pay any amount payable under the Convertible Loan Agreement on its Due Date, the Company shall pay in cash interest on such sum for the period from the Due Date thereof until the date of receipt by the Lender of such sum from the Company (both after as well as before judgment, if any) at a rate of 15.0% per annum (“**Default Interest**”).

The Company shall, not later than one month before the Maturity Date, announce the Maturity Date on SGXNet and take reasonable steps to notify the Lender in writing of the Maturity Date.

Use of Proceeds: The Company shall use the Loan exclusively for general working capital purposes of the Group.

Conversion: The Lender shall have the right to convert all or any part of the outstanding Loan, including any interest accrued thereon but excluding any Default Interest payable (“**Convertible Sum**”), into Conversion Shares in its sole discretion, at any time from the First Drawdown Date, in accordance with the terms and conditions of the Convertible Loan Agreement (the “**Conversion**”).

Status of Conversion Shares: The Conversion Shares when issued, shall (a) be duly authorised and free from all charges, liens, pledges and other encumbrances whatsoever, (b) be validly issued and credited as fully paid-up Shares which are not subject to further call and (c) rank pari passu in all respects with the then existing Shares.

Conversion Price: S\$0.0405 for each Conversion Share, representing a 10% discount to the weighted average price of the Shares for trades done on the SGX-ST (i) on 19 June 2024, being the last full market day prior to the date on which the Convertible Loan Agreement was signed on which Shares were traded, or (ii) during the period of 30 market days on which Shares were traded immediately prior to the date on which the Convertible Loan Agreement was signed, whichever is the lower.

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Adjustments: In all or any of the following events (“**Adjustment Events**”) from time to time:

- (a) any consolidation or subdivision of Shares;
- (b) any issue by the Company of Shares credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature, other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) to Shareholders; or
- (c) an offer or invitation made by the Company to Shareholders under which they may acquire or subscribe for Shares by way of rights,

the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Adjustment Event by the following fraction:

$$\frac{A}{B}$$

Where:

- (i) A is the total number of issued Shares immediately before such Adjustment Event; and
- (ii) B is the total number of issued Shares immediately after such Adjustment Event.

Such adjustment to the Conversion Price shall be effective on the date on which the change in the total number of issued Shares takes effect.

In the event that any adjustment to the Conversion Price shall be necessary as a result of any proposed Adjustment Event, the Company shall ensure that it does not undertake such proposed Adjustment Event, save and except where all applicable governmental and regulatory approvals (including without limitation the approval of the SGX-ST) required in connection with the adjustment of the Conversion Price and/or the issue of any additional Conversion Shares to be issued pursuant to the adjusted Conversion Price, is obtained and not revoked.

The Company shall announce any adjustment or amendment made to the terms of the Convertible Loan Agreement. In the case of an adjustment, the announcement must state the specific formula, whether the adjustment has been reviewed to be in accordance with the formula, the identity of the reviewer and its relationship to the Company. The Company shall appoint an approved bank (being any reputable bank, merchant bank, financial institution or holder of a capital markets services licence in Singapore that is regulated, licensed or approved by the MAS) or the Auditors for the time being of the Company to determine whether the adjustment (or modification or variation, if any) is fair and reasonable.

Any material amendment to the terms of the Convertible Loan Agreement after the First Drawdown Date to the advantage of the Lender shall be subject to the prior approval of Shareholders in a general meeting, except where the amendment is made pursuant to the terms of the Convertible Loan Agreement.

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4.4 Conditions Precedents to the Convertible Loan Agreement

The conditions precedents of the Convertible Loan Agreement have been extracted from Section 2.2 of the Circular and are set out in italics below:

The obligation of the Lender to advance the Loan is conditional upon the following (the “Conditions”):

- (a) *the grant by the SIC (and the SIC not having revoked or repealed such grant) of the waiver of the obligation of Mr Ching Chiat Kwong to make a mandatory general offer under Rule 14 of the Takeover Code for the Shares not held by Mr Ching Chiat Kwong and/or his concert parties following the allotment and issue of the Conversion Shares pursuant to the Conversion, subject to (i) any conditions that the SIC may impose, provided that such conditions are reasonably acceptable to the Company and Mr Ching Chiat Kwong; and (ii) the Independent Shareholders approving at an extraordinary general meeting, the proposed ordinary resolution of the Company which if passed by the Independent Shareholders would result in a waiver by the Independent Shareholders of their right to receive a mandatory general offer from Mr Ching Chiat Kwong in connection with the allotment and issue of the Conversion Shares (the “Whitewash Waiver”);*
- (b) *the listing and quotation notice from the SGX-ST approving the listing of and quotation for the Conversion Shares on the Catalist (the “LQN”) being obtained and such approval not being revoked or amended and, where such LQN is subject to conditions, such conditions are reasonably acceptable to the Company and Mr Ching Chiat Kwong; and*
- (c) *approval from the Independent Shareholders being obtained at an extraordinary general meeting, for the allotment and issue of the Conversion Shares pursuant to Rules 803, 804 and 805 of the Catalist Rules, the grant of the Convertible Loan Facility by the Lender to the Company, being an interested person transaction under the Catalist Rules, and for the Whitewash Waiver.*

4.5 The Proposed Issue of Conversion Shares

The maximum number of Conversion Shares to be allotted and issued by the Company is 56,197,530 Conversion Shares, based on the Conversion Price and assuming no adjustments to the Conversion Price are made. Assuming the full conversion of the Convertible Loan, the Controlling Shareholder and its concert parties’ shareholding in the Company will be 40.10% of the enlarged number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) of 332,040,667 Shares.

The Conversion Shares when issued, shall (a) be duly authorised and free from all charges, liens, pledges and other encumbrances whatsoever, (b) be validly issued and credited as fully paid-up Shares which are not subject to further call and (c) rank pari passu in all respects with the then existing Shares.

5. THE PROPOSED WHITEWASH RESOLUTION

The SIC has on 23 August 2024 granted the Whitewash Waiver to Mr Ching and his concert parties, subject to the satisfaction of the following conditions:

- (a) a majority of holders of voting rights of the Company approve at a general meeting, before the subscription by and issue to the Lender of the Conversion Shares (the “**Proposed Transaction**”), the Proposed Whitewash Resolution by way of a poll to waive their rights to receive a mandatory general offer from the Lender;
- (b) the Proposed Whitewash Resolution is separate from other resolutions;

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- (c) the Lender and its respective concert parties, as well as parties not independent of them abstain from voting on the Proposed Whitewash Resolution;
- (d) the Lender and its respective concert parties did not acquire or is not to acquire any Shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in the Company's circular to Shareholders (the "**Circular**") in relation to the Proposed Transaction):
 - (i) during the period between the Announcement Date and the date independent Shareholders' approval is obtained for the Proposed Whitewash Resolution; and
 - (ii) in the six months prior to the Announcement Date but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors of the Company in relation to the Proposed Transaction;
- (e) the Company appoints an independent financial adviser to advise the independent Shareholders on the Proposed Whitewash Resolution;
- (f) the Company sets out clearly in the Circular:
 - (i) details of the maximum number of Conversion Shares that may be issued to the Lender and the Proposed Transaction;
 - (ii) the dilution effect to existing holders of voting rights upon the issue of the Conversion Shares;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by the Lender and its respective concert parties as at the latest practicable date;
 - (iv) the number and percentage of voting rights to be acquired by the Lender and its respective concert parties as a result of the Lender's subscription of the Conversion Shares under the Proposed Transaction;
 - (v) specific and prominent reference to the fact that Shareholders, by voting for the Proposed Whitewash Resolution, are waiving their rights to a general offer from the Lender and its respective concert parties at the highest price paid by any of them for the Shares in the six months preceding the Announcement Date; and
 - (vi) specific and prominent reference to the possibility that Shareholders by voting for the Proposed Whitewash Resolution, could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Convertible Loan Facility;
- (g) the Circular stating that the Whitewash Waiver granted by the SIC to the Lender from the requirement to make a general offer under Rule 14 of the Takeover Code is subject to the conditions stated at (a) to (f) above;
- (h) the Company obtains the SIC's approval in advance for those parts of the Circular that refer to the Proposed Whitewash Resolution; and
- (i) to rely on the Proposed Whitewash Resolution, the approval of the Proposed Whitewash Resolution must be obtained within three months of the date of the letter received from the SIC for the Whitewash Waiver, the issue of the Convertible Loan Facility must be completed within three months of the approval of the Proposed Whitewash Resolution and the subscription of the Conversion Shares by the Lender under the Proposed Transaction, must be completed within five years of the issue of the Convertible Loan Facility.

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The Circular, together with the notice of EGM, as well as the opinion and recommendation of the independent financial adviser will be despatched to Shareholders and announced on SGXNet.

Shareholders should note that the Proposed IPT is conditional, among other things, upon the passing of the Proposed Whitewash Resolution by the Independent Shareholders. In view of this, in the event that the Proposed Whitewash Resolution is not approved by the Independent Shareholders, the Proposed IPT will not proceed.

6. EVALUATION OF THE PROPOSED IPT AND PROPOSED WHITEWASH RESOLUTION

In our evaluation of the Proposed IPT, we have given due consideration to, inter alia, the following key factors:

- (a) the rationale for the Proposed IPT and Use of Proceeds;
- (b) the financial performance and financial position of the Group;
- (c) comparison of the Convertible Loan Facility with the Group's existing loan facilities ("**Existing Loan Facilities**");
- (d) assessment of the financial terms of the Convertible Loan Facility;
- (e) assessment of the Conversion Price;
- (f) the financial effects of the Proposed IPT;
- (g) dilution impact of the Proposed IPT on the Independent Shareholders; and
- (h) other relevant considerations.

6.1 Rationale for the Proposed IPT and Use of Proceeds

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed IPT. Nevertheless, we have reviewed the Company's rationale for the Proposed IPT and use of proceeds as set out in Section 2.4 of the Circular. The rationale of the Proposed IPT and use of proceeds has been extracted and set out in italics below. Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meaning herein.

"The Company is of the view that its entry into the Convertible Loan Agreement is beneficial to the Group as the proceeds from the Loan will enable the Group to meet its anticipated general working capital requirements and strengthen its financial position.

*The estimated net proceeds from the Convertible Loan Facility, assuming that it is fully disbursed, after deducting estimated expenses of approximately S\$105,000, is approximately S\$1,895,000 (the "**Net Proceeds**"). The Company shall use the Net Proceeds entirely for general working capital purposes of the Group.*

Pending the deployment of the Net Proceeds, it may be deposited with financial institutions in short term money markets or debt instruments or for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit."

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6.2 Financial Performance and Financial Position of the Group

6.2.1 Financial Performance

A summary of the selected items of the consolidated financial statements of the Group for the last two financial years ended 31 December (“FY”) 2022 and 2023, and the latest interim results for the six months ended 30 June 2024 (“HY2024”), is set out as below:

| | Audited FY2022 S\$'000 | Audited FY2023 S\$'000 | Unaudited HY2023 S\$'000 | Unaudited HY2024 S\$'000 |
|---------------------------------------------------|---------------------------------------|---------------------------------------|-----------------------------------------|-----------------------------------------|
| Revenue | 9,871 | 8,323 | 6,812 | 1,806 |
| Cost of sales | (7,312) | (5,872) | (5,444) | (532) |
| Gross profit | 2,559 | 2,451 | 1,368 | 1,274 |
| Other income | 641 | 99 | 45 | 11 |
| Administrative expenses | (5,464) | (5,070) | (2,502) | (2,433) |
| Other operating expenses | (299) | (216) | (110) | (100) |
| Finance income | 134 | 864 | 454 | 17 |
| Finance costs | (17) | (45) | (23) | (23) |
| Loss before tax | (427) | (1,407) | (768) | (1,254) |
| Tax expense | (5) | (2) | - | * |
| Loss for the year/period | (432) | (1,409) | (768) | (1,254) |
| Non-controlling interests | 41 | (49) | (10) | (28) |
| Loss attributable to owners of the Company | (473) | (1,360) | (758) | (1,226) |

* Amount less than S\$1,000

Source: Company's annual reports for FY2022 and FY2023, and interim results announcement for HY2023 and HY2024.

FY2022 vs FY2023

Revenue in FY2023 decreased by 16% to \$8.3 million from \$9.9 million in FY2022. The decrease in revenue was mainly due to the decrease in sales for the Group's Merchant Payment Service (MPS) and Digital Commerce Enabling Solutions (DCES) business segments, resulting from the lower sales in prepaid cards in Malaysia and termination of an acquirer bank in Thailand.

Other income decreased by 85% to \$0.1 million in FY2023 from \$0.6 million in FY2022. The decrease in FY2023 was mainly due to decrease in government grants, sundry income and absence of a one-off gain on debt settlement of \$0.1 million in FY2022.

Administrative expenses decreased by \$0.4 million to \$5.1 million in FY2023, from \$5.5 million in FY2022. The decrease in administrative expenses was mainly due to decreases in employee compensation and professional services fees, partially offset by an increase in directors' fees.

There was no significant changes in the other operating expenses in FY2023 as compared to FY2022.

Finance income increased by \$0.8 million to \$0.9 million in FY2023, from \$0.1 million in FY2022. The increase was mainly due to excess funds being placed in short-term fixed deposits in FY2023.

There were no significant changes in finance costs between FY2023 and FY2022.

Due to the aforesaid, the Group recorded a net loss of \$1.4 million in FY2023 as compared to a net loss of \$0.4 million in FY2022.

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HY2023 vs HY2024

Revenue decreased by 73% or S\$5.0 million for HY2024, from S\$6.8 million in HY2023 to S\$1.8 million in HY2024. The decrease in revenue was mainly due to the decrease in sales from the MPS business segment for Singapore (significant decrease in credit card processing volume that was impacted by WorldPay's termination of PayFac agreement), and partially offset by the increase in sales from the MPS business segment for Malaysia.

Other income decreased by 76% in HY2024 as compared to HY2023. The decrease was due to the decrease in government grants as compared to HY2023.

Administrative expenses decreased by 3% or S\$0.1 million, from S\$2.5 million in HY2023 to S\$2.4 million in HY2024. The decrease in administrative expenses was mainly due to the decrease in employee compensation of S\$0.3 million and was partially offset by the increased in other administrative expenses of S\$0.2 million.

Other operating expenses decreased marginally in HY2024 as compared to HY 2023.

Finance income decreased by 96% or S\$0.4 million in HY2024. This was mainly due to the decrease in fixed deposits with banks, as compared to HY2023.

Finance costs were comparable for HY2024 and HY2023.

Due to the aforesaid, the Group recorded a net loss after tax of S\$1.3 million for HY2024, from a net loss after tax of S\$0.8 million for HY2023.

Summary

Based on the financial performance of the Group over the last two financial years, the Group's revenue has been decreasing throughout the period. The Group has also been loss making over the last two financial years, with the losses increasing through the years.

6.2.2 Financial Position

The following is a summary of the statement of financial position of the Group as at 30 June 2024 based on the Company's latest unaudited results announcement for HY2024:

| | Unaudited As at 30 June 2024 S\$'000 |
|------------------------------------------------------------------|-----------------------------------------------------|
| Property, plant and equipment | 361 |
| Intangible assets and goodwill | 227 |
| Financial asset at fair value through other comprehensive income | 493 |
| Trade and other receivables | 33 |
| Non-Current Assets | 1,114 |
| Trade and other receivables | 721 |
| Inventories | 8 |
| Cash and cash equivalents | 6,473 |
| Current Assets | 7,202 |
| Total Assets | 8,316 |
| Share capital | 55,757 |
| Currency translation reserve | 220 |
| Fair value reserve | (27) |
| Accumulated losses | (52,600) |
| Equity attributable to owners of the Company | 3,350 |
| Non-controlling interests | (439) |

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| | |
|--------------------------------|--------------|
| Total Equity | 2,911 |
| Borrowing | 540 |
| Lease liability | 130 |
| Non-Current Liabilities | 670 |
| Trade and other payables | 4,491 |
| Borrowing | 191 |
| Lease liability | 53 |
| Current Liabilities | 4,735 |
| Total Liabilities | 5,405 |

Source: Company's interim results announcement for HY2024.

As at 30 June 2024, the total assets of the Group of S\$8.32 million comprised mainly: (i) cash and cash equivalents of S\$6.47 million; (ii) trade and other receivables of S\$0.72 million and (iii) financial asset at fair value through other comprehensive income of S\$0.49 million, representing approximately 77.83%, 8.67% and 5.93% of the Group's total assets respectively.

The corresponding total liabilities of the Group of S\$5.41 million comprised mainly: (i) trade and other payables of S\$4.49 million; (ii) borrowings of S\$0.73 million and (iii) lease liabilities of S\$0.18 million, representing approximately 83.09%, 13.52% and 3.39% of the Group's total liabilities respectively.

Summary

Based on the financial position of the Group as at 30 June 2024, we note that the Group's assets are mainly made of cash, representing near to 78% of the Group's total assets. The Group also has a large accumulated losses as at 30 June 2024.

6.3 Comparison of the Convertible Loan Facility with the Existing Loan Facilities

We highlight the following comparison of the Convertible Loan Facility with the Existing Loan Facilities:

- (a) After reviewing the Existing Loan Facilities and the borrowing costs of the Company as disclosed in the Company's FY2023 annual report, we noted that the Convertible Loan Facility bears an interest of 6.9% per annum, which is within the range and comparable to the interest rates of the Existing Loan Facilities.
- (b) The repayment of the Existing Loan Facilities is by monthly payments whereas for the Convertible Loan Facility, the Company shall only repay the outstanding Loan or any part thereof not converted into the Conversion Shares (i) in full on the expiry of the Maturity Date of the relevant tranche of the Loan, or such other longer period as shall be agreed in writing by the Lender; or (ii) upon the occurrence of an event of default, with a default notice given by the Lender in accordance with the provisions of the Convertible Loan Agreement. The Convertible Loan Facility therefore allows the Company to have more flexibility with its repayment.

We note that the Convertible Loan Facility has a competitive interest rate with flexible repayment period and is not subject to the risk of significant default penalties. The Convertible Loan Facility will allow the Company to meet its anticipated general working capital requirements and will put the Company in a stronger financial position to tap on the capital markets to fund future growth opportunities.

The Lender may convert all or any part of the outstanding Loan into Conversion Shares any time from the First Drawdown Date, at a Conversion Price of S\$0.0405 for each Conversion Share. Please refer to Paragraph 6.5 of this IFA Letter for our assessment of the Conversion Price.

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6.4 Assessment of the Financial Terms of the Convertible Loan Facility

6.4.1 Comparison with Recent SGX-Listed Comparable Financial Instruments

We have also compiled the following statistics in respect of recent SGX-listed convertible financial instruments ("**Recent Convertible Financial Instruments**"). We wish to highlight that the list of Recent Convertible Financial Instruments may not be exhaustive, and we recognise that there is no Recent Convertible Financial Instruments which can be considered identical to the Recent Convertible Financial Instruments.

The terms of the Recent Convertible Financial Instruments are also influenced by the time of issue, the issuer's market capitalisation, size of operations, composition of business activities, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, future prospects and other relevant criteria of the issuer. In addition, the Loan will not be listed while the Recent Convertible Financial Instruments are publicly-listed and their market prices may be inflated or depressed due to market speculation, market pressures and/or trading activities. Therefore, the below comparisons are necessarily limited and are intended to serve only as an illustrative guide.

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| Status | Announcement Date | Issuer | Aggregate Principal Amount | IRR at Final Redemption | Financial Health | Conversion Price (\$) | VWAP/ (last traded) (\$) | Interest (per annum) | Tenure | Premium/ (Discount) to VWAP | | | | | | | | | | | | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------------------|----------------------------|--------------------------|-------------------|-----------------------|--------------------------|----------------------|------------------|-----------------------------|-----|-------|-----------|--------|-----|------|-----------|---------|------|-------|-------------|-------|--------|-------|-----------|-------|
| Completed | 12-Jul-24 | Vividthree Holdings Ltd. | S\$700,000 | 8% per annum | Net Assets | 0.0600 | 0.0252 | 6.0% | 36 months | 138.1% | | | | | | | | | | | | | | | | |
| Ongoing | 13-Jun-24 | Mooreast Holdings Ltd. | S\$20,010,000 | Principal only | Net Assets | 0.2900 | 0.1036 | 3.7% | 36 months | 179.9% | | | | | | | | | | | | | | | | |
| Ongoing | 26-Mar-24 | SunMoon Food Company Limited | S\$4,000,000 | Principal only | Net Assets | 0.0300 | 0.0200 | - | 24 months | 50.0% | | | | | | | | | | | | | | | | |
| Ongoing | 26-Jan-24 | GS Holdings Limited | S\$1,000,000 | Principal only | Net Assets | 0.0153 | 0.0170 | 5.0% | 24 months | (10.0)% | | | | | | | | | | | | | | | | |
| Completed | 13-Oct-23 | Addvalue Technologies Ltd | S\$1,020,500 | Principal only | Net Liabilities | 0.0130 | 0.0120 | 9.0% | 24 months | 8.3% | | | | | | | | | | | | | | | | |
| Completed | 4-Jul-23 | EuroSports Global Limited | S\$3,300,000 | Principal only | Net Assets | 0.4500 | 0.1900 | 4.0% | 36 months | 136.8% | | | | | | | | | | | | | | | | |
| Completed | 3-Jul-23 | iX Biopharma Ltd | S\$2,000,000 | Principal only | Net Assets | 0.1337 | 0.0910 | 9.0% | 24 months | 46.9% | | | | | | | | | | | | | | | | |
| Completed | 15-Mar-23 | Medi Lifestyle Limited | S\$30,000,000 | Principal only | Net Liabilities | 0.0200 | 0.0070 | - | 36 months | 185.7% | | | | | | | | | | | | | | | | |
| Completed | 17-Feb-23 | Medi Lifestyle Limited | S\$100,000 | Principal only | Net Liabilities | 0.0090 | 0.0090 | 15.0% | 24 months | 0.0% | | | | | | | | | | | | | | | | |
| Completed | 11-Oct-22 | Leader Environmental Technologies Limited | US\$15,000,000 | 8% per annum, compounded | Net Assets | 0.1000 | 0.0575 | - | 36 + 24 months | 73.9% | | | | | | | | | | | | | | | | |
| <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>Max</td> <td>15.0%</td> <td>36 months</td> <td>185.7%</td> </tr> <tr> <td>Min</td> <td>3.7%</td> <td>24 months</td> <td>(10.0)%</td> </tr> <tr> <td>Mean</td> <td>7.39%</td> <td>29.3 months</td> <td>81.0%</td> </tr> <tr> <td>Median</td> <td>6.45%</td> <td>24 months</td> <td>62.0%</td> </tr> </table> | | | | | | | | | | | Max | 15.0% | 36 months | 185.7% | Min | 3.7% | 24 months | (10.0)% | Mean | 7.39% | 29.3 months | 81.0% | Median | 6.45% | 24 months | 62.0% |
| Max | 15.0% | 36 months | 185.7% | | | | | | | | | | | | | | | | | | | | | | | |
| Min | 3.7% | 24 months | (10.0)% | | | | | | | | | | | | | | | | | | | | | | | |
| Mean | 7.39% | 29.3 months | 81.0% | | | | | | | | | | | | | | | | | | | | | | | |
| Median | 6.45% | 24 months | 62.0% | | | | | | | | | | | | | | | | | | | | | | | |
| Ongoing | 23-Jun-24 | Company | S\$2,000,000 | Principal only | Net Assets | 0.0499 | 6.9% | 6.9% | 24 months | (10.0)% | | | | | | | | | | | | | | | | |

Source: Bloomberg L.P. and respective financial instruments prospectus.

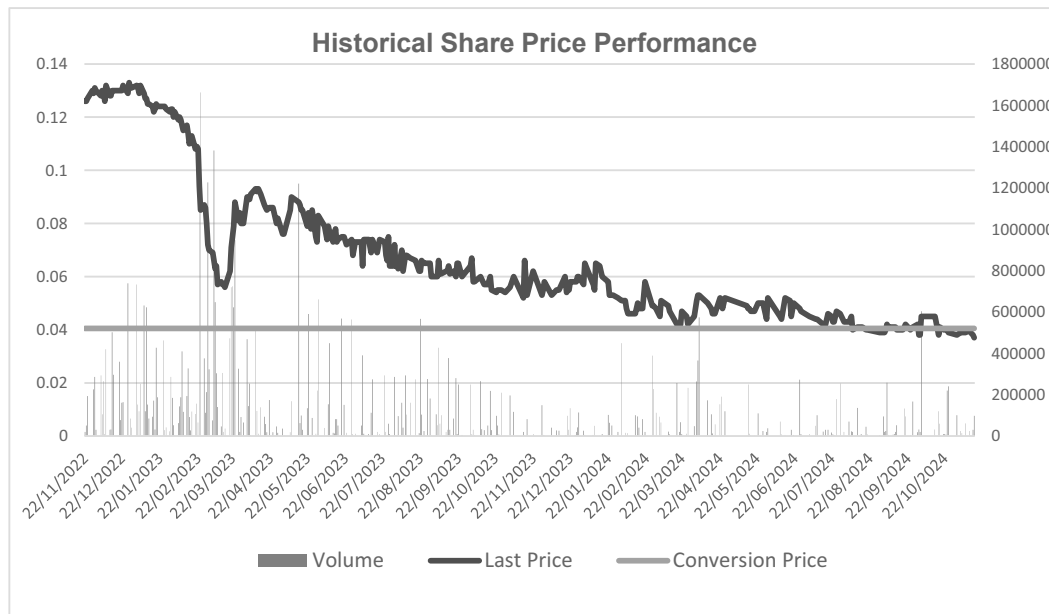
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Based on the above, we note the interest rate per annum of the Convertible Loan Facility of 6.9% is within the range of the Recent Convertible Financial Instruments of 3.7% to 15.0%. The Conversion Price is a discount of 10.0% to the VWAP of S\$0.045 as at 19 June 2024, being the last full day of trading of the Shares prior to the Announcement, is lower than the mean of premium or discount to VWAP of the Recent Convertible Financial Instruments.

6.5 Assessment of the Conversion Price

6.5.1 Comparison with the Company's Historical Share Price Performance

We set out below the share price and liquidity statistics of the Company for the two years preceding the Latest Practicable Date, being the period from 22 November 2022 to 21 November 2024 (“Period Under Review”).



| Period prior and up to Latest Practicable Date | Highest Traded Price (S\$) | Lowest Traded Price (S\$) | VWAP ⁽¹⁾ (S\$) | Premium/(Discount) of Conversion Price over VWAP (%) | Average daily trading volume ⁽²⁾ | Average daily trading volume as a percentage of free float ⁽³⁾ (%) |
|-----------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------|---------------------------|------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------------------------|
| Prior to the Announcement Date | | | | | | |
| Last 1 month | 0.052 | 0.043 | 0.0462 | (12.4) | 30,870 | 0.01 |
| Last 3 months | 0.054 | 0.040 | 0.0485 | (16.5) | 96,460 | 0.03 |
| Last 6 months | 0.065 | 0.040 | 0.0489 | (17.5) | 83,955 | 0.03 |
| Last 1 year | 0.090 | 0.040 | 0.0582 | (30.4) | 95,272 | 0.03 |
| As at 19 June 2024 , being the last full day of trading of the Shares prior to the Announcement Date | 0.045 | 0.045 | 0.0450 | (10.0) | 30,000 | 0.01 |
| After the Announcement Date to the Latest Practicable Date | | | | | | |
| After the Announcement Date and up to the Latest Practicable Date | 0.049 | 0.038 | 0.0418 | (3.2) | 67,829 | 0.02 |
| As at 15 November 2024 , being the last full day of trading of the Shares prior to the Latest Practicable Date | 0.038 | 0.037 | 0.0373 | 8.6 | 98,200 | 0.04 |

Source: Bloomberg L.P.

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Notes:

- (1) VWAP of the Shares over the relevant period is calculated based on the total value traded over the total volume of Shares traded over the relevant periods.
- (2) The average daily trading volume of the Shares is computed based on the total volume of Shares traded during the relevant periods, divided by the number of the days that the Shares were traded during that relevant period.
- (3) Free float refers to the Shares other than those held by the Directors, chief executive officer, controlling Shareholders or substantial Shareholders of the Company and amounts to approximately 275.84 million Shares representing approximately 71.09% of the issued Shares as at 19 March 2024 as disclosed in the Group's annual report for FY2023.

Based on the above, we observed the following with regard to the share price performance of the Company for the Period Under Review:

- (a) The Conversion Price represents a discount of approximately 10% over the VWAP of the Shares of S\$0.045 on 19 June 2024, being the last full day of trading of the Shares prior to the Announcement;
- (b) The Conversion Price represents a discount of approximately 12.4% and 16.5% over the VWAP of the Shares for 1-month and 3-month periods prior to the release of the Announcement, respectively;
- (c) The Conversion Price represents a discount of approximately 17.5% and 30.4% over the VWAP of the Shares for 6-month and 1-year periods prior to the release of the Announcement, respectively;
- (d) Over the 1-year period prior to the release of the Announcement, the Shares have traded between a low of S\$0.040 and a high of S\$0.090. The Conversion Price represents a premium of S\$0.0005 (or 1.25%) above the lowest transacted price and a discount of \$0.0495 (or 55%) below the highest transacted price of the Shares of \$0.090;
- (e) The Conversion Price represents a discount of approximately 3.2% over the VWAP of the Shares of S\$0.0418 for the period after the Announcement and up to the Latest Practicable Date;
- (f) For the period after the release of the Announcement to the Latest Practicable Date, the Shares have traded between a low of S\$0.038 and a high of S\$0.049. The Conversion Price represents a premium of S\$0.0025 (or 6.58%) above the lowest transacted price and a discount of S\$0.0085 (or 17.35%) below the highest transacted price of the Shares. The Shares have traded below the Conversion Price on 26 out of 107 market days from the Announcement to the Latest Practicable Date; and
- (g) The Shares were closed below the Conversion Price at S\$0.037, where the Conversion Price represents a premium of 8.6% over the VWAP of the Shares on 15 November 2024, being the last full day of trading of the Shares prior to the Latest Practicable Date.

We observed the following with regard to the trading liquidity of the Shares:

- (a) Over the 1-year period prior to the release of the Announcement, the Shares were traded on 147 days out of a total of 249 market days. The average daily trading volume of the Shares for the 1-month, 3-month, 6-month, and 1-year periods up to and including the day prior to the release of the Announcement represent 0.01%, 0.03%, 0.03% and 0.03% of the free float of the Shares respectively;
- (b) For the period after the Announcement and up to the Latest Practicable Date, the average daily trading volume on the Shares was approximately 0.07 million Shares, representing 0.02% of the free float of the Shares.

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6.5.2 Net Asset Value of the Group

| Net Asset Value Computation <i>(as per figures disclosed in the Group's unaudited interim results announcement for HY2024)</i> | |
|------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Net asset value ("NAV") (S\$) | 3,350,000 |
| Number of Shares | 275,843,137 |
| NAV per Share (S\$) | 0.0121 |
| Premium of the Conversion Price to the NAV (%) | 234.71% |
| Price-to-NAV ("P/NAV") ratio as implied by the Conversion Price (times) | 3.35x |

Source: Group's unaudited interim results announcement for HY2024.

Based on the latest announced unaudited financial statements of the Group as at 30 June 2024, the net asset value ("**NAV**") of the Group amounted to approximately S\$3.35 million or S\$0.0121 per Share.

The Conversion Price represents a premium of approximately 234.71% over the NAV per Share of the Group as at 30 June 2024. Thus, the Convertible Loan Facility is not dilutive to the Group's NAV and not dilutive to the interest of the independent shareholders.

Directors and Management Confirmation

In respect of the above, we have sought the following confirmations from the Directors and Management, and they confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief that:

- (i) there are no material differences between realisable values of Group's assets and their respective book values as at 30 June 2024, which would have a material impact on the NAV of the Group;
- (ii) other than that already provided for or disclosed in the Group's financial statements as at 30 June 2024, there are no other contingent liabilities, bad or doubtful debts or material events which would likely have a material impact on the NAV of the Group as at the Latest Practicable Date;
- (iii) there are no litigation, claim or proceedings pending or threatened against the Company or Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position of the Company and Group;
- (iv) there are no other intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards (International) and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group; and
- (v) there are no material acquisitions or disposals of assets by the Group between 30 June 2024 and the Latest Practicable Date, and the Group does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of the Group's material assets or material change in the nature of the Group's business.

6.6 The Financial Effects of the Proposed IPT

The pro forma financial effects of the Proposed IPT is set out in Section 9 of the Circular. The financial effects shown are purely for illustrative purposes only and should not be taken as indication of the actual future financial performance or position of the Group following the Proposed IPT nor a projection of the future financial performance or position of the Group after completion of the Proposed IPT. Shareholders are advised to read the information set out in Section 9 of the Circular carefully, including the assumptions set out therein.

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Accordingly, we have extracted and summarized the salient points of the pro forma financial effects of the Proposed IPT below:

Share Capital

Based on the Group's audited consolidated financial statements for FY2023, the issued and paid up share capital of the Group will increase to approximately S\$178.55 million after the completion of the Proposed IPT (assuming full issuance of the Conversion Shares).

NAV per Share

Based on the Group's audited consolidated financial statements for FY2023, the NAV per share of the Group will increase from 1.64 Singapore cents to 2.02 Singapore cents after the completion of the Proposed IPT (assuming full issuance of the Conversion Shares).

LPS

Based on the Group's audited consolidated financial statements for FY2023, the LPS of the Group will decrease from 0.49 Singapore cents to 0.41 Singapore cents after the completion of the Proposed IPT (assuming full issuance of the Conversion Shares).

6.7 Dilution Impact of the Proposed IPT on the Independent Shareholders

As at the Latest Practicable Date, the Company has 275,843,137 issued Shares. Section 6.1 of the Circular sets out, *inter alia*, the changes in the shareholding interests of Shareholders in the Company after the Proposed IPT. Assuming that the Whitewash Resolution is approved by the Independent Shareholders and full conversion of the Loan on or after the Maturity Date, the dilution impact on the Independent Shareholders is set out in the table below:

| | As at the Latest Practicable Date | | | | After issue of Conversion Shares | | | |
|-------------------------------------------------------|-----------------------------------|------------------|------------------|------------------|----------------------------------|------------------|------------------|------------------|
| | Direct Interest | | Deemed Interest | | Direct Interest | | Deemed Interest | |
| | Number of Shares | % ⁽¹⁾ | Number of Shares | % ⁽¹⁾ | Number of Shares | % ⁽²⁾ | Number of Shares | % ⁽²⁾ |
| Director | | | | | | | | |
| Ching Chiat Kwong | 76,826,612 ⁽³⁾ | 27.85 | - | - | 76,826,612 ⁽³⁾ | 23.14 | 56,197,530 | 16.92 |
| Shawn Ching Wei Hung | 140,000 | 0.05 | - | - | 140,000 | 0.04 | - | - |
| Yick Li Tsin | - | - | - | - | - | - | - | - |
| Chin Chen Keong | - | - | - | - | - | - | - | - |
| Ng Weng Sui Harry | 109,800 | 0.04 | - | - | 109,800 | 0.03 | - | - |
| Kesavan Nair | - | - | - | - | - | - | - | - |
| Yee Kee Shian, Leon | - | - | - | - | - | - | - | - |
| Substantial Shareholder (other than Directors) | | | | | | | | |
| Oxley Capital Management Pte. Ltd. (being the Lender) | - | - | - | - | 56,197,530 | 16.92 | - | - |
| Other Independent Shareholders | 198,766,725 | 72.06 | - | - | 198,766,725 | 59.87 | - | - |

Notes:

- (1) The percentages of issued share capital are calculated based on 275,843,137 issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the Latest Practicable Date.
- (2) The percentages of issued share capital are calculated based on 332,040,667 issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company immediately after the issue of the maximum number of Conversion Shares.

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- (3) Mr Ching Chiat Kwong holds 68,115,113 Shares in his own name, and the balance 8,711,499 Shares are held through nominees.

Based on the illustration above, we note that upon the full conversion of the Loan, the Controlling Shareholder and its concert parties will have their aggregate shareholding interests in the Company increase from 27.90% to 40.10%, while the Independent Shareholders will have their aggregate shareholding interests diluted from 72.10% to 59.90%.

6.8 Other Relevant Considerations

6.8.1 Alternative Financing Options

We understand that Management had considered and concluded that there were no other viable alternative financing options available to the Group which were more favourable compared with the Proposed IPT, in view of the Group's weak financial position.

6.8.2 Inter-conditionality of the Proposed IPT and Proposed Whitewash Resolution

Shareholders should note that the resolutions relating to the Proposed IPT and Proposed Whitewash Resolution are inter-conditional, such that if any of the resolutions is not approved the other resolutions will not be passed.

Independent Shareholders should note that by voting in favour of the Proposed Whitewash Resolution, they will be waiving their rights to receive a mandatory general offer from Mr Ching, the Lender and parties acting in concert with them for the Shares at the highest price paid by any of them for the Shares in the six months preceding the Announcement Date and they could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Convertible Loan Facility.

To rely on the Proposed Whitewash Resolution, the approval of the Proposed Whitewash Resolution must be obtained within three months of the date of the letter received from the SIC for the Whitewash Waiver, the issue of the Convertible Loan Facility must be completed within three months of the approval of the Proposed Whitewash Resolution and the subscription of the Conversion Shares by the Lender under the Proposed Issue of Conversion Shares, must be completed within five years of the issue of the Convertible Loan Facility.

6.8.3 Abstention from Voting

As set out in Section 3 of the Circular, Rule 804 of the Catalist Rules provides that except in certain cases, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment and such directors and associates must abstain from exercising any voting rights on the matter.

As the Conversion Shares will be allotted and issued to the Lender pursuant to the Convertible Loan Agreement, Shareholders' approval is required to be obtained in connection with the Proposed IPT pursuant to Rule 804 of the Catalist Rules.

Pursuant to Rule 804 of the Catalist Rules, Mr Ching shall abstain, and will procure that his Associates abstain, from exercising their voting rights in respect of all existing issued Shares owned by them, and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of Ordinary Resolution 2 relating to the Proposed IPT.

As such, the approval for the Proposed IPT and Proposed Whitewash Resolution will be subject to the approval of the Independent Shareholders.

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6.8.4 Commentary by the Company on its Business Outlook

On 8 August 2024, the Company made the following commentary in relation to its business outlook in its latest results announcement for HY2024:

“Digital payment transactions in the ASEAN region have experienced exponential growth recently. The rise of digital payment methods has slowly and steadily replaced cash transactions and in 2023, digital payments accounted for 50% of the value of transactions in six of the ASEAN member states. This growth has been accelerated by a confluence of factors such as increasing smartphone penetration, the expansion of the e-commerce ecosystem, and government initiatives to promote financial inclusion. As the world’s fastest-growing market for mobile wallets, the number of active accounts in ASEAN is expected to more than triple to approximately 440 million by 2025.

Additionally, the ASEAN Digital Economy Framework Agreement (“DEFA”) is currently under negotiation. It aims to further unleash ASEAN’s digital potential by aligning with international standards and fostering public-private collaboration. With the launch of DEFA, ASEAN’s digital economy could reach US\$2 trillion by 2030. This promising trend will serve as a potential tailwind for the Group as we work towards strengthening our position in the market to capitalise on these growth opportunities.

Earlier this year, the Group entered into an agreement with DCS Card Centre (“DCS”) as their payment facilitator, and regained our ability to process VISA and Mastercard payments. Under the guidance of the new management, we believe that the Group is strategically poised to increase our payment processing volumes by actively targeting opportunities to expand our merchant base within the SME sector. Additionally, the collaboration with Green Link Digital Bank Pte. Ltd. (“GLDB”) provides onboarded merchants with easier access to financing, thereby enhancing merchant stickiness.

The Group also intends to enter the card issuance business in Indonesia through an investment into PT Diners Payment Indonesia. Upon completion of the proposed non-binding investment by the Company in PT Diners Payment Indonesia, the Group is expected to expand its merchant base and tap into the lucrative card issuance business in a highly populated but underbanked country. The Group will become the sole acquirer and future issuer of Diners Cards in Indonesia. With only a 5% credit card penetration rate, the Indonesian market presents significant growth opportunities. The management will continue working towards materialising these strategic initiatives as we remain committed to bringing incremental value to our shareholders.”

7. OUR OPINION

In arriving at our opinion in respect of the Proposed IPT and the Proposed Whitewash Resolution, we have considered and evaluated factors which we deem to have significant relevance to our assessment, particularly the key factors which are described in Paragraph 6 of this IFA Letter (which should be read in conjunction with, and in the full context of, the Circular and this IFA Letter), *inter alia*, the following:

- (a) the rationale for the Proposed IPT;
- (b) the financial performance and financial position of the Group;
- (c) the rate of the Loan is comparable to the interest rate of the Existing Loan Facilities;
- (d) the period of up to 24 months for the conversion of the Convertible Loan Facility;
- (e) assessment of the financial terms of the Convertible Loan Facility as set out under Paragraph 6.4 of this IFA Letter;
- (f) assessment of the Conversion Price as set out under Paragraph 6.5 of this IFA Letter;

APPENDIX A – IFA LETTER

- (g) the financial effects of the Proposed IPT as set out under Paragraph 6.6 of this IFA Letter; and
- (j) other relevant considerations for the Proposed IPT.

Having regard to the foregoing considerations set out in this IFA Letter and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed IPT is on normal commercial terms and will not be prejudicial to the interests of the Company and its Independent Shareholders.

We are of the opinion that the Proposed Whitewash Resolution is fair and reasonable, and will not be prejudicial to the interests of the Company and its Independent Shareholders. Correspondingly, we are of the opinion that the Proposed IPT is fair and reasonable, and will not be prejudicial to the interests of the Company and its Independent Shareholders.

We consider the Proposed Whitewash Resolution and the Proposed IPT to be FAIR after taking into consideration the following factors:

- (a) The 6.9% interest rate per annum of the Convertible Loan Facility is comparable to the interest rates of the Existing Loan Facilities.
- (b) The repayment period of up to 24 months for the conversion of the Convertible Loan Facility allows the Group to have more flexibility in its repayment.
- (c) The terms of the Convertible Loan Facility is comparable to the Recent Convertible Financial Instruments.
- (d) The Conversion Price represents a premium of 8.6%, a discount of 12.4%, 16.5%, 17.5% and 30.4% of the VWAP of the Shares as at the last full day of trading of the Shares prior to the Latest Practicable Date, and for the 1-month, 3-month, 6-month and 1-year periods prior to the date of the Announcement, respectively.
- (e) The Conversion Price represents a premium of approximately 234.71% over the NAV per Share of the Group as at 30 June 2024, which is not dilutive to the Group's NAV and nor the interest of the Independent Shareholders.

We consider the Proposed Whitewash Resolution and the Proposed IPT to be REASONABLE after taking into consideration the following factors:

- (a) There were no other viable alternative financing options available to the Group which were more favourable compared with the Proposed IPT, in view of the Group's weak financial position.
- (b) The inter-conditionality of the Proposed IPT and Proposed Whitewash Resolution where if any of the resolutions is not approved the other resolutions will not be passed.
- (c) The commentary by the Company on its business outlook where the Company would need the proceeds from the Convertible Loan Facility to meet its anticipated general working capital requirements and strengthen its financial position and hence, their position in the market, to be able to capitalise on the growth opportunities highlighted.

This letter has been prepared for the use of the Independent Directors in their consideration of the Proposed IPT and the Proposed Whitewash Resolution. The recommendations made by the Independent Directors to the Shareholders in relation to the Proposed IPT and the Proposed Whitewash Resolution shall remain the sole responsibility of the Independent Directors.

APPENDIX A – IFA LETTER

Whilst a copy of this letter may be reproduced in Appendix A to the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of Evolve Capital Advisory Private Limited in each specific case, except for any matter in relation to the Proposed IPT and Proposed Whitewash Resolution. Our opinion is governed by and construed in accordance with the laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

For and on behalf of

EVOLVE CAPITAL ADVISORY PRIVATE LIMITED

Chua Hiang Hwee
Chief Executive Officer and Managing Partner

Lay Shi Wei
Vice President

NOTICE OF EXTRAORDINARY GENERAL MEETING

OXPAY FINANCIAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200407031R)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of OxPay Financial Limited (the “Company”) will be held at 137 Cecil Street, Cecil Building, #05-02, Singapore 069537 on Thursday, 19 December 2024 at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolutions as set out below.

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the circular to shareholders of the Company dated 4 December 2024 (the “Circular”).

Shareholders should note that the passing of Ordinary Resolutions 1, 2, 3, 4 and 5 as set out in this Notice of EGM are inter-conditional. This means that if any of the Ordinary Resolutions 1, 2, 3, 4 and 5 is not approved, the other resolutions will not be deemed duly passed.

(1) ORDINARY RESOLUTION 1 – THE PROPOSED ISSUE OF CONVERSION SHARES

Resolved that, subject to and contingent upon the passing of Ordinary Resolutions 2, 3, 4 and 5 as set out in this Notice of EGM:

- (a) pursuant to Section 161 of the Companies Act, Rule 805(1) and Rule 812 of the Catalist Rules and the Constitution of the Company, approval be and is hereby given for the transactions contemplated under the Convertible Loan Agreement, and without prejudice to the generality of the foregoing, authority be and is hereby given to the Directors or any of them to allot and issue up to 56,197,530 Conversion Shares at a Conversion Price of S\$0.0405 for each Conversion Share on the terms and subject to the conditions of the Convertible Loan Agreement; and
- (b) the Directors and each of them be and are hereby authorised and empowered to do all acts and things as they or he may consider necessary or expedient to give effect to this Ordinary Resolution 1, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required) in the interests of the Company, and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

[see Explanatory Note]

(2) ORDINARY RESOLUTION 2 – THE PROPOSED ISSUE OF CONVERSION SHARES TO THE LENDER, BEING AN ASSOCIATE OF A DIRECTOR

Resolved that, subject to and contingent upon the passing of Ordinary Resolutions 1, 3, 4 and 5 as set out in this Notice of EGM:

- (a) pursuant to Rule 804 of the Catalist Rules, approval be and is hereby given for the allotment and issue by the Company of up to 56,197,530 Conversion Shares at a Conversion Price of S\$0.0405 for each Conversion Share to the Lender, being an Associate of Mr Ching Chiat Kwong, the Non-Executive Non-Independent Chairman and Controlling Shareholder of the Company, on the terms and subject to the conditions of the Convertible Loan Agreement; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the Directors and each of them be and are hereby authorised and empowered to do all acts and things as they or he may consider necessary or expedient to give effect to this Ordinary Resolution 2, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required) in the interests of the Company, and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

[see Explanatory Note]

(3) ORDINARY RESOLUTION 3 – THE PROPOSED TRANSFER OF CONTROLLING INTEREST

Resolved that, subject to and contingent upon the passing of Ordinary Resolutions 1, 2, 4 and 5 as set out in this Notice of EGM:

- (a) pursuant to Rule 803 of the Catalist Rules, approval be and is hereby given for the allotment and issue by the Company of up to 56,197,530 Conversion Shares to the Lender on the terms and subject to the conditions of the Convertible Loan Agreement, which shall give rise to a transfer of controlling interest in the Company to the Lender; and
- (b) the Directors and each of them be and are hereby authorised and empowered to do all acts and things as they or he may consider necessary or expedient to give effect to this Ordinary Resolution 3, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required) in the interests of the Company, and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

[see Explanatory Note]

(4) ORDINARY RESOLUTION 4 – THE PROPOSED GRANT OF THE CONVERTIBLE LOAN FACILITY BY THE LENDER TO THE COMPANY AS AN INTERESTED PERSON TRANSACTION

Resolved that, subject to and contingent upon the passing of Ordinary Resolutions 1, 2, 3 and 5 as set out in this Notice of EGM:

- (a) for the purpose of Chapter 9 of the Catalist Rules, the Convertible Loan Agreement entered into between the Company and the Lender, as an interested person transaction, be and is hereby approved, confirmed and ratified, and approval be and is hereby given for the grant of the Convertible Loan Facility by the Lender to the Company on the terms and subject to the conditions of the Convertible Loan Agreement, details of which have been set out in the Circular; and
- (b) the Directors and each of them be and are hereby authorised and empowered to do all acts and things as they or he may consider necessary or expedient to give effect to this Ordinary Resolution 4, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required) in the interests of the Company, and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

[see Explanatory Note]

NOTICE OF EXTRAORDINARY GENERAL MEETING

(5) ORDINARY RESOLUTION 5 – THE PROPOSED WHITEWASH RESOLUTION

Resolved that, subject to and contingent upon the passing of Ordinary Resolutions 1, 2, 3 and 4 as set out in this Notice of EGM, the Independent Shareholders hereby, on a poll taken, unconditionally and irrevocably waive their rights to receive a mandatory general offer under Rule 14 of the Takeover Code from Mr Ching Chiat Kwong, Oxley Capital Management Pte. Ltd., and parties acting in concert with them for all Shares not already owned or controlled by them, as a result of the Proposed Issue of Conversion Shares.

[see Explanatory Note]

By Order of the Board

Vincent Lim/Wee Mae Ann
Company Secretaries

Singapore
4 December 2024

Explanatory Note:

Mr Ching Chiat Kwong and the Lender shall, and shall procure that their respective Associates shall, abstain from voting on Ordinary Resolutions 1, 2, 3, 4 and 5 in respect of their respective shareholdings in the Company (if any) and shall not accept nomination as proxies unless specific instructions have been given in the Proxy Form(s) by the Shareholder(s) appointing them on how he/she/they wish(es) his/her/their vote(s) to be cast.

Notes:

1. Members of the Company are invited to attend the EGM in person. There will be no option for members to participate by electronic means.
2. Unless otherwise permitted under the Companies Act 1967 of Singapore (the “**Companies Act**”), a member of the Company entitled to attend, speak and vote at the EGM may appoint not more than two proxies to attend, speak and vote in his stead. A proxy (including the Chairman of the Meeting as proxy) need not be a member of the Company.
3. A member who is a relevant intermediary (as defined in Section 181 of the Companies Act) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.
4. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the Proxy Form.
5. If the member is a corporation, the Proxy Form must be executed under its common seal or signed by its duly authorised officer or attorney.
6. The duly completed and executed Proxy Form must be submitted:
 - (a) personally or by post to the office of the Company’s Share Registrar at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
 - (b) by electronic mail to shareregistry@incorp.asia,

in either case, to be received not less than 72 hours before the time appointed for holding the EGM, failing which the Proxy Form will be treated as invalid. Members are strongly encouraged to submit completed Proxy Forms electronically via email.

NOTICE OF EXTRAORDINARY GENERAL MEETING

7. In addition to asking questions during the EGM proceedings, members can submit questions relating to the resolutions to be tabled for approval at the EGM, in the following manner:

(a) by post to the office of the Company's Share Registrar at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or

(b) by electronic mail to shareregistry@incorp.asia,

in either case, so that they are received no later than 10.00 a.m. on 11 December 2024.

When the questions are submitted, the member's full name, identification/registration number and manner in which shares are held must be included for verification purposes, failing which the submission will be treated as invalid. The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM at least 48 hours before the closing date and time for the lodgement of the Proxy Forms for the EGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The Company will publish the response to the questions on SGXNet and the Company's corporate website. After the cut-off time for submission of questions, if there are substantial and relevant questions received, the Board may address them at the EGM.

8. Investors who hold shares under the Supplementary Retirement Scheme ("SRS") and who wish to vote:

(a) may vote at the EGM if they are appointed as proxies by their respective SRS Operators, and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or

(b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective SRS Operators to submit their votes at least seven working days before the date of the EGM.

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing proxy or proxies to attend, speak and vote at the EGM and/or any adjournment thereof, or (b) submitting details for the registration to participate in the proceedings of the EGM, or (c) submitting any question prior to or during the EGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of proxy forms for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members of the Company (or their corporate representatives in the case of members of the Company which are legal entities) to participate in the proceedings of the EGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members of the Company received before or during the EGM and if necessary, following up with the relevant members of the Company in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities,

and warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the aforesaid purposes, and agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the EGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

This notice has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor").

This notice has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Ms Goh Mei Xian, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

PROXY FORM

OXPAY FINANCIAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200407031R)

EXTRAORDINARY GENERAL MEETING

IMPORTANT

For investors who hold shares of OxPay Financial Limited under the Supplementary Retirement Scheme ("SRS"), this Proxy Form is not valid for use by such investors and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors who wish to vote should approach their respective SRS Operators if they have any queries regarding their appointment as proxies. Such investors who wish to appoint the Chairman of the Meeting to vote on their behalf should approach their respective SRS Operators to submit their votes at least seven working days before the date of the Extraordinary General Meeting of the Company ("EGM"), to enable their respective relevant intermediaries to submit proxy forms on their behalf so that they are received no later than 72 hours before the time appointed for holding the EGM.

I/We _____ (Name)
_____ (NRIC/Passport/Company Registration No.)
of _____ (Address)
being a member/members of OXPAY FINANCIAL LIMITED (the "Company") hereby appoint:

| Name | Address | NRIC/Passport Number | Proportion of Shareholdings (%) |
|------|---------|----------------------|---------------------------------|
| | | | |

and/or (deleted as appropriate)

| Name | Address | NRIC/Passport Number | Proportion of Shareholdings (%) |
|------|---------|----------------------|---------------------------------|
| | | | |

or failing the person or both of the persons above, the Chairman of the Meeting, as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf, at the EGM of the Company to be held at 137 Cecil Street, Cecil Building, #05-02, Singapore 069537 on Thursday, 19 December 2024 at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the EGM or to abstain voting, as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the EGM and at any adjournment thereof, except that where the Chairman of the Meeting is appointed as proxy and no specific directions as to voting is given in respect of the resolutions, the appointment of the Chairman of the Meeting as proxy for the resolutions will be treated as invalid. The resolutions put to vote at the EGM shall be decided by poll.

| No. | Ordinary Resolutions | For | Against | Abstain |
|-----|-------------------------------------------------------------------------------------|-----|---------|---------|
| 1. | Proposed Issue of Conversion Shares | | | |
| 2. | Proposed Issue of Conversion Shares to the Lender, being an Associate of a Director | | | |
| 3. | Proposed Transfer of Controlling Interest | | | |
| 4. | Proposed Grant of Convertible Loan Facility as an Interested Person Transaction | | | |
| 5. | Proposed Whitewash Resolution | | | |

(Please indicate with a cross [X] in the space provided whether you wish to cast all your votes for or against or to abstain from voting on the resolutions as set out in the Notice of EGM. Alternatively, if you wish to exercise your votes both for and against the resolutions and/or to abstain from voting on the resolutions, please indicate the number of shares in the respective spaces provided.)

Dated this _____ day of _____ 2024

Total number of shares held: _____

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this Proxy Form shall be deemed to relate to all the shares held by you.
2. Unless otherwise permitted under the Companies Act 1967 of Singapore (the "**Companies Act**"), a member of the Company entitled to attend, speak and vote at the EGM may appoint not more than two proxies to attend, speak and vote in his stead. A proxy (including the Chairman of the Meeting as proxy) need not be a member of the Company.
3. A member who is a relevant intermediary (as defined in Section 181 of the Companies Act) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.
4. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the Proxy Form.
5. Where a member appoints the Chairman of the Meeting as his proxy, he must give specific instructions as to voting, or abstentions from voting, in respect of each resolution in this Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
6. This Proxy Form duly completed and executed must be submitted in the following manner:
 - (a) personally or by post to the office of the Company's Share Registrar at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
 - (b) by electronic mail to shareregistry@incorp.asia,in either case, to be received no later than 72 hours before the time appointed for holding the EGM, failing which this Proxy Form will be treated as invalid. Members are strongly encouraged to submit completed Proxy Forms electronically via email.
7. This Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where this Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where this Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this Proxy Form, failing which this Proxy Form shall be treated as invalid.
8. Completion and return of this Proxy Form by a member will not prevent him from attending, speaking and voting at the EGM if he so wishes. The appointment of the proxy(ies) for the EGM will be deemed to be revoked if the member attends the EGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant Proxy Form to the EGM.
9. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
10. By submitting this Proxy Form, a member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 4 December 2024.

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