



OXPAY FINANCIAL LIMITED

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

PROPOSED SUBSCRIPTION OF 3,251,119 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of OxPay Financial Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has entered into a share subscription agreement dated 11 April 2022 (the “**Share Subscription Agreement**”) with Mr Tee Wee Sien (Zheng Weixian) (the “**Subscriber**”), pursuant to which the Subscriber shall subscribe for, and the Company shall allot and issue, 3,251,119 new ordinary shares in the capital of the Company (the “**Subscription Shares**”) at the issue price of S\$0.1575 for each Subscription Share, for an aggregate amount of approximately S\$512,051 (the “**Share Subscription**”).

The Subscriber is a private investor who is an existing shareholder of the Company holding 7,938,866 ordinary shares (“**Shares**”), constituting approximately 2.92% of the issued share capital of the Company, as at the date hereof. The Subscriber has expressed an interest to further invest in the Company. The Subscriber has confirmed that he will not be holding the Subscription Shares on trust for or as a nominee of any person. Following the completion of the Share Subscription (“**Completion**”), and assuming that no other new Shares are issued on or prior to Completion, the Subscriber will hold an aggregate of 11,189,985 Shares, constituting approximately 4.06% of the enlarged issued share capital of the Company.

There is no placement agent and/or introducer, and no placement/introducer fee/commission is paid or payable by the Company in connection with the Share Subscription.

2. SHARE SUBSCRIPTION

The Company will allot and issue the Subscription Shares pursuant to the general share issue mandate granted by shareholders of the Company (“**Shareholders**”) at the last annual general meeting held on 28 April 2021 (the “**Share Issue Mandate**”). The Share Issue Mandate authorises the Directors to allot and issue Shares of an aggregate number of up to 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time when the Share Issue Mandate was approved, where such new Shares are to be issued other than on a *pro rata* basis to existing Shareholders. As at the date when the Share Issue Mandate was approved, the Company had 272,248,881 issued Shares (“**Relevant Share Capital**”) and no treasury shares or subsidiary holdings. No Shares had previously been issued pursuant to the Share Issue Mandate. The Subscription Shares constitute 1.19% of the Relevant Share Capital and are thus within the limit of the Share Issue Mandate.

The Company has undertaken that it shall apply for the Subscription Shares to be listed and quoted on the Catalist, and it shall execute all documents and do all acts and things as may be reasonably necessary for such purpose, including the submission of an additional listing application (“**ALA**”) to the Company’s Sponsor.

The Subscriber has warranted that he is not a director or substantial shareholder of the Company or any other person specified under Rule 812 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the

“SGX-ST”).

The Share Subscription would not result in any transfer of controlling interest in the Company.

The offer of the Subscription Shares is made pursuant to the exemption under Section 272B of the Securities and Futures Act 2001 of Singapore (“SFA”). As such, no prospectus or offer information statement will be issued by the Company in connection with the Share Subscription.

3. SUBSCRIPTION SHARES

The Company shall allot and issue the Subscription Shares free from all encumbrances, and the Subscription Shares shall rank *pari passu* in all respects with and carry all rights similar to existing Shares of the Company, save that they will not rank for dividend, right, allotment or other distributions, the record date of which falls on or before the date of completion of the Share Subscription.

The issue price of S\$0.1575 for each Subscription Share represents a discount of 10% to the volume weighted average price of S\$0.1750 for trades done on the SGX-ST on 11 April 2022 (being the full market day on which the Share Subscription Agreement is signed).

4. FINANCIAL EFFECTS OF SHARE SUBSCRIPTION

Upon the allotment and issue of the Subscription Shares and assuming that no other new Shares are issued on or prior to Completion, the issued and paid-up share capital of the Company will increase from approximately S\$175.8 million divided into 272,248,881 Shares (“Existing Share Capital”), to approximately S\$176.3 million divided into 275,500,000 Shares (“Enlarged Share Capital”).

The Subscription Shares represent approximately 1.19% of the Existing Share Capital, and approximately 1.18% of the Enlarged Share Capital of the Company upon Completion (assuming that no other new Shares are issued on or prior to Completion).

The financial effects of the Share Subscription on the Group below are prepared based on the audited financial statements of the Group for the financial year ended 31 December 2021 (“FY2021”), and assuming total expenses incurred in connection with the Proposed Subscription of S\$0.01 million. In addition, (i) for the purpose of computing the loss per Share (“LPS”) of the Group after the Share Subscription, it is assumed that the Share Subscription was completed on 1 January 2021; and (ii) for the purpose of computing the net asset value (“NAV”) per Share of the Group after the Share Subscription, it is assumed that the Share Subscription was completed on 31 December 2021.

| | Before Share Subscription | After Share Subscription |
|--|---------------------------|--------------------------|
| FY2021 | | |
| Net loss attributable to equity holders of the Company (S\$'000) | (27,060) | (27,060) |
| Weighted average number of Shares | 235,097,661 | 238,348,780 |
| LPS (S\$ cents) | (11.51) | (11.35) |
| | | |
| As at 31 December 2021 | | |
| NAV (S\$'000) | 5,887 | 6,387 |
| Number of Shares | 272,248,881 | 275,500,000 |
| NAV per Share (S\$ cents) | 2.16 | 2.32 |

The above financial effects shown are for illustrative purposes only and do not purport to be indicative of the financial results or position of the Company and the Group after Completion.

5. SALIENT TERMS OF SHARE SUBSCRIPTION

Completion is conditional upon, *inter alia*, the following:

- (a) the Share Issue Mandate being valid, subsisting and adequate for the purpose of the allotment and issue of the Subscription Shares as at the date of Completion;
- (b) in-principle approval in respect of the ALA being obtained from the Company's Sponsor, and approval for the listing of and quotation for the Subscription Shares on the Catalist ("LQN") being obtained from the SGX-ST, such approvals not being revoked or amended as at the date of completion of the Share Subscription and, if such approvals are subject to conditions, such conditions being reasonably acceptable to the Company and the Subscriber; and
- (c) the allotment and issue of the Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Share Subscription Agreement by any applicable legislative, executive or regulatory body or authority of Singapore (including, without limitation, the Monetary Authority of Singapore and the SGX-ST) or elsewhere, which is applicable to either the Company or the Subscriber, including the provisions of the Catalist Rules or the SFA.

If the conditions for the Share Subscription are not satisfied by 31 May 2022 (or such other date as may be mutually agreed between the parties), the Share Subscription Agreement shall terminate and the obligations of the Company to issue the Subscription Shares and the Subscriber to subscribe for the Subscription Shares shall *ipso facto* cease and determine thereafter, and no party shall have any claim against the others for costs, expenses, damages, losses, compensation or otherwise in respect of the Share Subscription, save for any antecedent breach of the Share Subscription Agreement or the parties' respective liability for the payment of costs and expenses.

Completion is expected to take place within five business days after the condition set out in sub-paragraph (b) above has been satisfied.

6. RATIONALE AND USE OF PROCEEDS

The gross proceeds to be raised from the Share Subscription amounts to approximately S\$0.51 million. After deducting estimated expenses relating thereto of approximately S\$0.01 million, the net proceeds from the Share Subscription of approximately S\$0.50 million ("**Net Proceeds**") shall be used for the general working capital of the Group. Notwithstanding that the Directors are of the opinion that the working capital available to the Group is sufficient to meet its present requirements, the Net Proceeds will provide additional working capital for the Group to take advantage of potential business opportunities.

Pursuant to Rule 704(30) and Rule 1204(22) of the Catalist Rules, the Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed or utilised, and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full year financial statements announcements and the annual reports of the Company. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation. Where the Net Proceeds are to be used for working capital, the Company will disclose a breakdown with specific details on the use of the Net Proceeds for working capital in its announcements and annual reports.

Pending the deployment of the Net Proceeds for the purpose as set out above, such Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money market and/or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit.

7. GENERAL

The Directors are of the opinion that, after taking into consideration:

- (a) the internal resources and present bank facilities of the Group, the working capital available to the Group is sufficient to meet its present requirements; and
- (b) the internal resources and present bank facilities of the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

None of the Directors and their respective associates, and as far as the Directors are aware, none of the substantial shareholders of the Company and their respective associates, has any interest, directly or indirectly, in the Share Subscription, save through his shareholding in the Company, if any.

None of the Directors and their respective associates, and as far as the Directors are aware, none of the substantial shareholders of the Company and their respective associates, has any connection (including business relationship) with the Subscriber, save that:

- (a) the Subscriber is an existing Shareholder of the Company holding 2.92% of the Existing Share Capital;
- (b) the Subscriber is a substantial shareholder of Oxley Holdings Limited, a company listed on the Mainboard of the SGX-ST whose directors include Mr Ching Chiat Kwong, Mr Shawn Ching Wei Hung and Mr Ng Weng Sui Harry, who are also Directors of the Company, and whose controlling shareholder, Mr Ching Chiat Kwong, is also a controlling shareholder of the Company; and
- (c) the Subscriber and Mr Ching Chiat Kwong are business associates.

The Company will make the necessary announcements when it has received the LQN from the SGX-ST for the listing of and quotation for the Subscription Shares.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Share Subscription, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Share Subscription Agreement is available for inspection during normal business hours at the registered office of the Company at 10 Ubi Crescent #03-48 Lobby C Ubi Techpark, Singapore 408564, for a period of three (3) months commencing from the date of this announcement. Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 pandemic, please contact the Company at (65) 6299-0030 prior to making any visits to arrange for a suitable time slot for the inspection.

10. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution in trading their Shares. The Share Subscription contemplated under and in connection with the Share Subscription Agreement is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Share Subscription will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Where in any doubt as to the action they should take, Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, financial, tax, legal or other professional advisers.

By Order of the Board

Tan Chee Keong
Managing Director
12 April 2022

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896, telephone (65) 6636 4201.