ARTIVISION TECHNOLOGIES LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200407031R)

PROPOSED PLACEMENT OF 62,305,295 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT S$0.00963 PER SHARE

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*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 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

1. INTRODUCTION

The board of directors (the "**Board**") of Artivision Technologies Ltd. (the "**Company**") refers to the various relevant announcements of the Company from 31 October 2017 to 23 November 2020 (collectively, the "**Previous Announcements**") in relation to the proposed acquisition by the Company of all the ordinary shares and convertible bonds issued by Mobile Credit Payment Pte. Ltd. (the "**Target**") (the "**Proposed Acquisition**").

Unless otherwise defined, all capitalised terms used herein shall bear the meanings ascribed to them in the Previous Announcements.

2. PROPOSED PLACEMENT

The Board wishes to announce that the Company has entered into a placement agreement dated 23 December 2020 (the "**Placement Agreement**") with Mr Ching Chiat Kwong ("**Mr Ching**" or the "**Placee**"), a controlling shareholder of the Company, pursuant to which Mr Ching has agreed to subscribe for, and the Company has agreed to allot and issue, 62,305,295 new ordinary shares of the Company (on a pre-Proposed Share Consolidation basis) (the "**Placement Shares**") at the price of S$0.00963 for each Placement Share (the "**Placement Price**"), for an aggregate consideration of S$600,000 (the "**Proposed Placement**").

As at the date hereof, the Company has an issued share capital comprising 1,797,792,986 ordinary shares ("**Shares**") ("**Existing Share Capital**"). The Placement Shares represent approximately 3.47% of the Existing Share Capital and approximately 3.35% of the enlarged issued share capital of the Company on completion of the Proposed Placement ("**Enlarged Share Capital**").

The Placement Price represents a discount of 10.0% to the volume weighted average price of S$0.0107 per Share for trades done on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 23 December 2020, being the full market day on which the Placement Agreement was signed. The Placement Price was negotiated and agreed between the

Company and Mr Ching, taking into consideration the Proposed Acquisition and the discount for the Placement Price being generally in line with the discount for precedent placements of shares conducted by other listed companies in Singapore.

The Placement Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall, upon allotment and issue, rank *pari passu* in all respects with the existing Shares, save that they will not rank for any dividend, rights, benefits, entitlements, allotments or other distributions, the record date of which falls on or before the date of issue of the Placement Shares.

3. INFORMATION ON THE PLACEE

Mr Ching is currently the executive chairman and chief executive officer of Oxley Holdings Limited (a company listed on the Mainboard of the SGX-ST). As at the date of the Placement Agreement, Mr Ching is a controlling shareholder of the Company, holding 395,068,911 Shares representing an interest of approximately 22.0% of the Existing Share Capital. Upon completion of the Proposed Placement (and assuming no further issuance of Shares by the Company), Mr Ching will hold 457,374,206 Shares representing an interest of approximately 24.6% of the Enlarged Share Capital.

As Mr Ching is a controlling shareholder of the Company, the Proposed Placement is subject to the approval of the shareholders of the Company ("**Shareholders**") pursuant to Rule 812 of the Catalist Rules. The approval of independent Shareholders will also be sought for the Proposed Placement as an interested person transaction pursuant to Chapter 9 of the Catalist Rules. The circular to Shareholders to convene an extraordinary general meeting of the Company to seek the approval of Shareholders for, *inter alia*, the Proposed Placement will be issued by the Company in due course.

Save for the Proposed Placement, the Company has not entered into any transaction (excluding transactions of value less than S$100,000) with Mr. Ching and his associates for the period from 1 April 2020 up to the date of this announcement. There were no transactions (excluding transactions of value less than S$100,000) entered into between the Group and other interested persons for the period from 1 April 2020 up to the date of this announcement. Accordingly, the aggregate value of all transactions (excluding transactions of value less than S$100,000) entered into between the Company and all interested persons for the period from 1 April 2020 up to the date of this announcement amounted to S$0.6 million.

4. COMPLIANCE

The Proposed Placement is intended to be made pursuant to the private placement exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

The Company did not appoint any placement agent in connection with the Proposed Placement and no commission, fee or other selling or promotional expenses is payable or incurred by the Company in connection with the Proposed Placement, other than those incurred for administrative or professional services.

An application for the listing and quotation of the Placement Shares will be submitted through the Company's sponsor to the SGX-ST in due course and the Company will make the necessary announcement once the listing and quotation notice has been received from the SGX-ST.

5. CONDITIONS PRECEDENT

The completion of the Proposed Placement (the "**Completion**") under the Placement Agreement is conditional upon, *inter alia*:

(a) the circular to Shareholders to convene an extraordinary general meeting of the Company to seek the approval of Shareholders for, *inter alia*, the Proposed Acquisition having been lodged with the SGX-ST by 31 December 2020;

(b) the independent Shareholders having approved the allotment and issue of the Placement Shares to Mr Ching at an extraordinary general meeting of the Company as required under Rule 812 and Chapter 9 of the Catalist Rules;

(c) the listing and quotation notice in respect of the Placement Shares having being obtained from the SGX-ST; and

(d) the Proposed Placement not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company.

Subject to the terms and conditions of the Placement Agreement, Completion will take place on 26 January 2021, or such other date as the parties may agree in writing.

6. RATIONALE FOR THE PROPOSED PLACEMENT AND USE OF PROCEEDS

The Company had, on 9 March 2020, announced that, as a demonstration of Mr Ching's confidence in the prospects of the Enlarged Group and to augment the Enlarged Group's financial position, Mr Ching had on 2 March 2020 undertaken to either (i) invest or procure the investment of up to S$4.0 million for the subscription of Shares to be issued by the Company, subject to compliance with the Catalist Rules, or (ii) procure the full conversion of the convertible bonds issued by the Target held by Mr Tee Wee Sien ("**Mr Tee**") and Mr Low See Ching into shares of the Target, so that the Enlarged Group shall be in a positive equity position immediately after the completion of the Proposed Acquisition, and such that his shareholding in the Company after the completion of the Proposed Acquisition shall be less than 30.0% (the "**Undertaking**").

As Mr Tee has converted the convertible bonds issued by the Target and held by him amounting to approximately S$3.4 million (inclusive of accrued interests), pursuant to the Undertaking, Mr Ching shall be required to invest S$0.6 million to subscribe for the Placement Shares, leading to the execution of the Placement Agreement.

The Proposed Placement is intended to raise capital and to strengthen the Enlarged Group's financial position in order to meet its anticipated general working capital requirements.

The Proposed Placement will raise gross proceeds of S$0.6 million ("**Placement Proceeds**") and the Company intends to use the Placement Proceeds mainly for general working capital.

Pending the aforesaid deployment, the Placement Proceeds will be placed in short-term deposits with financial institutions, invested in short-term money market instruments and/or marketable securities and/or debt instruments or used for any other purposes on a short-term basis as the Board may in its absolute discretion deem fit in the best interests of the Company.

The Company will make periodic announcements as to the use of the Placement Proceeds as and when such proceeds are materially disbursed, and whether such use is in accordance with the stated use. The Company will also provide a status report on the use of the Placement Proceeds in its interim and full year financial statements and its annual report. As the Placement Proceeds are to be used for general working capital purposes, the Company will provide a breakdown with specific details on how the Placement Proceeds have been applied in the relevant announcements and annual report(s). Where there is any material deviation from the stated use of the Placement Proceeds, the Company will announce the reason(s) for such deviation.

7. STATEMENTS OF THE BOARD AND THE AUDIT COMMITTEE

After taking into account (i) the Company's cash balance of approximately S$1.0 million ("**Escrow Monies**") which has been placed in the Company's escrow account in compliance with Rule 1017(1)(a) of the Catalist Rules; and (ii) the undertaking provided by Mr Ching on 4 September 2020 to provide financial support to the Company for a period of 12 months from the date thereof ("**Financial Undertaking**"), the Board is of the view that the working capital of the Company is sufficient to meet its present requirements and the Proposed Placement is mainly undertaken so that the Enlarged Group shall be in a positive equity position immediately after the completion of the Proposed Acquisition.

After taking into account (i) the Placement Proceeds, (ii) the Escrow Monies; and (iii) the Financial Undertaking, the Board is of the view that the working capital of the Company is sufficient to meet its present requirements.

Pursuant to Rule 917(4)(a) of the Catalist Rules, the Audit Committee, comprising Independent Directors of the Company, namely Mr Ng Weng Sui Harry and Mr Kesavan Nair (both of whom are considered independent for the purposes of considering the Proposed Placement), having considered, amongst others, (i) the rationale for and the terms and benefits of the Proposed Placement; (ii) the difficulties to raise funds under the uncertain market conditions in the midst of COVID-19; and (iii) the discount for the Placement Price being generally in line with the discount for precedent placements of shares conducted by other listed companies in Singapore, is of the view that the Proposed Placement, as an interested person transaction, is on normal commercial terms and is not prejudicial to the interests of the Company and its independent Shareholders.

8. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The financial effects of the Proposed Placement set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results or financial position of the Company after the completion of the Proposed Placement. The table below sets out the *pro forma* financial effects of the Proposed Placement based on the following:

(a) the latest audited financial statements of the Company for the financial year ended 31 March 2020;

(b) the assumption that the Proposed Placement was completed on 31 March 2020, in determining the financial effect of the Proposed Placement on the consolidated net liabilities per Share;

(c) the assumption that the Proposed Placement was completed on 1 April 2019, in determining the financial effect of the Proposed Placement on the loss per Share; and

(d) the expenses to be incurred in respect of the Proposed Placement are insignificant and have been disregarded for the purpose of computing the financial effects.

	Before the Proposed Placement	**After the Proposed Placement**
Number of issued Shares	1,797,792,986	1,860,098,281
Net liabilities (S$'000)	9,433	8,833
Net liabilities per Share (cents)	0.52	0.47
Net loss attributable to Shareholders (S$'000)	1,661	1,661
Loss per Share (cents)	0.09	0.09

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Placement, save through their shareholdings in the Company (if any) and that the Placee is a controlling shareholder of the Company.

10. FURTHER ANNOUNCEMENTS

The Company will make further announcements to update Shareholders on the Proposed Placement, as and when appropriate.

11. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Placement Agreement will be made available for inspection during normal business hours at the registered office of the Company at 10 Ubi Crescent, #05-05 Ubi Techpark, Singapore 408564 for a period of three (3) months from the date of this announcement.

12. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading their Shares as the Proposed Acquisition and the Proposed Placement are subject to certain conditions, and there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition or the Proposed Placement will be completed. Shareholders should also read the Previous Announcements, this announcement and any further announcements by the Company carefully, and consult their stock brokers, bank managers, solicitors or other professional advisors immediately if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

HARRY NG
Non-Executive Chairman and Independent Director

24 December 2020