MC PAYMENT LIMITED
(formerly known as Artivision Technologies Ltd.)
(Incorporated in the Republic of Singapore)
(Company Registration No. 200407031R)

RESPONSE TO QUERIES RAISED BY SINGAPORE EXCHANGE REGULATION ON 24 JUNE 2021

The board of directors (the "**Board**") of MC Payment Limited (the "**Company**", and together with its subsidiaries, the "**Group**") sets out its response to the following queries raised by the Singapore Exchange Regulation on 24 June 2021, with respect to the Company's second circular to shareholders dated 24 June 2021 ("**Second Circular**") in relation to the notice to convene an extraordinary general meeting of the Company on 30 June 2021.

Query 1: In the Circular dated 24 June 2021, the Nominating Committee have assessed that Mr Ng Weng Sui Harry ("Mr Harry Ng") and Mr Shawn Ching Wei Hung ("Mr Shawn Ching") are not suitable as candidates to be considered for a directorship in the Company. However, we note that Mr Harry Ng and Mr Shawn Ching were put up for re-election at the Company's AGM on 28 April 2021 (2 months ago) and in the Company's annual report for FY2020, in relation to the re-election, the NC had recommended to the Board of the Company that it had reviewed and considered the qualification, work experience and suitability of Mr Harry Ng and Mr Shawn Ching for re-appointment as directors of the Company. The Board had also reviewed and concluded that both Mr Harry Ng and Mr Shawn Ching possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.

Please provide more details to shareholders on what had changed in the 2 months (from April 2021 to June 2021), leading to the change in opinion by the Nominating Committee and the Board, on the suitability of Mr Harry Ng and Mr Shawn Ching to be directors of the Company.

Company's Response

The Nominating Committee sets out the following four reasons why its views on the suitability of Mr Harry Ng and Mr Shawn Ching (as set out in the Second Circular) differ from the Nominating Committee's views on the same (as set out in the Company's annual report for the financial year ended 31 December 2020 ("**Annual Report 2020**")):

(a) **First**, the composition of the Nominating Committee has changed. Previously, the Nominating Committee comprised Dr Lillian Koh Noi Keng, Mr Kesavan Nair and Mr Ng Weng Sui Harry. The Nominating Committee presently comprises Mr Albert Saychuan Cheok, Mr Ong Kim Huat and Dr Lillian Koh Noi Keng. The current Nominating Committee has assessed the nominated directors afresh based on the assessment criteria set out in the Second Circular.

(b) **Second**, the views of the current Nominating Committee are informed and updated by recent events. At the time of the preparation of the Company's Annual Report 2020, the news reports describing the financial difficulties of Pindan Group Pty Ltd ("**Pindan**") and its related entities had not come to light. For the reasons given in the Second Circular, the reports relating to Pindan have raised cause for concern for the Nominating Committee as to the suitability of Mr Shawn Ching and Mr Harry Ng.

(c) **Third**, the current Nominating Committee also took into account the fact that the assessment for ahead of the 28 April 2021 AGM was for the purposes of a re-election by rotation, an internal process which was handled by Mr Harry Ng. This time around Mr Harry Ng and Mr Shawn Ching were being assessed on the basis that they had not been re-elected by the shareholders at the 28 April 2021 AGM, and their names were being put up afresh for the purposes of Mr Ching's requisition. Effectively, Mr Shawn Ching and Mr Harry Ng are being evaluated as new candidates for directorships. The same standards are applied whether a candidate is fresh or up for re-election. However, the Nominating Committee at a later point in time may apply a different evaluation matrix due to prevailing circumstances.

(d) **Fourth**, following the enhanced guidelines that have come in for directorship of a digital payment company, particularly the management of digital technology, the current Nominating Committee is required to assess how a candidate measures up in the knowledge and expertise in digital payment and digital technologies broadly. Additionally, the Nominating Committee also needs to take account of the Company's own needs as regards the intensity and breadth of digital expertise needed for its digital transformative plans into a broader base digital data company. Mr Shawn Ching and Mr Harry Ng did not score well, in terms of digital knowledge, and experience.

The Nominating Committee takes the lead in terms of assessing potential directors and informing the Board. The evaluation report of the Nominating Committee was adopted by the Board, save for Mr Kesavan.

Query 2: The Company announced on 11 May 2021, in response to SGX's queries, that the Company is not aware of any disagreements between the Board members or between the Board members and the management / controlling shareholders of the Company, since completion of the RTO on 18 February 2021. However, in the Company's circular to shareholders dated 15 June 2021, the Company stated that between 4 May 2021 and 25 May 2021, it had held discussions with Mr Ching Chiat Kwong in an attempt to reach an amicable resolution. Please elaborate on the disagreements leading to the discussions with Mr Ching Chiat Kwong from 4 May 2021, and why did the Company announce on 11 May 2021 that there were no disagreements?

Company's Response

The Company was in discussions with Mr Ching between 4 May 2021 and 25 May 2021 to explore whether the matters raised in Mr Ching's requisition to convene an extraordinary general meeting ("**EGM**") dated 4 May 2021 could be resolved without having to hold the EGM sought. The discussions were not carried out to address an underlying disagreement.

Further, at the time, the Company was not aware that Mr Ching would eventually raise so many issues – which the Company notes came only belatedly.

The Company's announcement on 11 May 2021 that it was "*not aware of any such disagreements between the Board members or between the Board members and the management / controlling shareholders of the Company, since the completion of the reverse takeover exercise on 18 February 2021*" was therefore accurate.

Query 3: The Company announced on 11 June 2021, in response to SGX's queries, that the Board had granted authorisation to Mr Anthony Koh to engage in exploratory talks with NGSC Ltd. Company did not enter into any binding term sheets or agreements in relation to any acquisition of NGSC Limited. In the Company's Circular dated 24 June 2021, it was stated that a non-binding term sheet was being explored but not entered into. However, the Company went on to elaborate that the term sheet is not intended to be legally binding, but there were certain standard form provision which are expressed to be binding.

Sub-query (a): Please clarify - Were any (binding or non-binding) term sheets, agreements, Memorandum of Understanding ("MOU"), Letter of Intent ("LOI") or any other arrangements / collaboration entered into between the Group and NGSC?

Company's Response

The Company had entered into a Non-Disclosure Agreement in March 2021 with NGSC Limited ("**NGSC**") in order to facilitate the Company's and NGSC's conduct of further exploratory discussions.

Save for the abovementioned Non-Disclosure Agreement, no term sheets (whether binding or otherwise), agreements, MOUs, LOIs, or any other arrangements or collaborations were entered into between the Group and NGSC.

Notwithstanding that no term sheet was entered into between the Group and NGSC, the draft term sheet available to parties was not intended to be binding; there were only a few standard form provisions (such as provisions on (a) the confidentiality of the term sheet; (b) how public announcements on the contemplated transaction may be made; (c) parties' obligations on the expenses incurred in connection with the contemplated transaction; and (d) the governing law and the forum which shall resolve any dispute arising out of or in connection with the term sheet) that were expressed to be binding but which did not affect the substance of the term sheet. This was because the discussions with NGSC at that juncture were preliminary and exploratory in nature. The Company highlights that the resolution authorising Mr Anthony Koh to enter into the term sheet was unanimously resolved by all the directors of the Company.

Sub-query (b): What did the Board consider in authorizing Mr Anthony Koh to engage in exploratory talks with NGSC Ltd?

Company's Response

The Board understood that the discussions with NGSC were only exploratory and preliminary. Since the intended term sheet was not binding, the Board unanimously resolved to authorise Mr Anthony Koh to engage with exploratory talks with NGSC.

Because the discussions were only in a preliminary and exploratory stage, the Board anticipated further details and information after Mr Anthony Koh was able to proceed with his discussions with NGSC. The exercise did not go beyond the exploratory stage that would require any need for further Board involvement.

The term sheet was requested by NGSC so that it could seek the necessary approvals to take this transaction forward.

Sub-query (c): What is the Group's policy on disclosure of collaborations, term sheets, agreements, MOUs, LOIs, or any other forms of arrangements or agreements?

Company's Response

The approach of the present Board is as follows:

(a) If the transaction gives rise to material obligations, including recognizing the need to provide timely disclosure of material information in accordance with SGX, the Company will announce.

(b) If the transaction does not involve any such obligations, the Board will exercise its discretion on whether to announce, taking into account things like who is counterparty, the possibility of reaching an agreement and whether the Company or the counterparty wants to take things forward.

Notwithstanding the above, the Board ensures that the Company complies with the requirements for timely disclosure of material information in accordance with the Catalist Rules, Appendix 7A on Corporate Disclosure Policy.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. If in doubt about the action they should take, shareholders and potential investors of the Company should consult their stockbrokers, bankers, solicitors, accountants, tax advisers and/or other professional advisers.

BY ORDER OF THE BOARD

Anthony Koh
Executive Director and Chief Executive Officer

25 June 2021

*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 ("**Catalist Rules**").*

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.