



## MC PAYMENT LIMITED

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

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### PROPOSED PLACEMENT OF UP TO 16,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF MC PAYMENT LIMITED AT THE ISSUE PRICE OF S\$0.40 FOR EACH NEW ORDINARY 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 Catalyst ("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.*

## 1. INTRODUCTION

1.1 The board of directors ("**Board**") of MC Payment Limited (formerly known as Artivision Technologies Ltd.) ("**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's circular to its shareholders ("**Shareholders**") dated 31 December 2020 ("**Circular**") in relation to, *inter alia*, the proposed acquisition by the Company of all the ordinary shares and convertible bonds issued by Mobile Credit Payment Pte. Ltd. (the "**Proposed Acquisition**"), and the Company's announcement on 18 February 2021 in relation to completion of the Proposed Acquisition on the same date.

*All capitalised terms herein, unless otherwise defined, shall have the meanings ascribed in the Circular.*

1.2 The Board wishes to announce that the Company had, on 5 March 2021, entered into a placement agreement (the "**Placement Agreement**") with OCBC Securities Pte. Ltd. as the placement agent ("**Placement Agent**").

1.3 Pursuant to the Placement Agreement, the Company has agreed to offer, by way of placement, and the Placement Agent has agreed to procure subscriptions on a best efforts basis, for an aggregate of up to 16,000,000 new ordinary shares in the capital of the Company ("**Placement Shares**") at an issue price of S\$0.40 for each Placement Share (the "**Placement Price**"), amounting to an aggregate consideration of up to S\$6,400,000 (the "**Proposed Placement**"). Under the terms of the Placement Agreement, the Placement Agent may make sub-placement arrangements in respect of its placement obligations under the Placement Agreement upon such terms and conditions as the Placement Agent deems fit.

- 1.4 The Proposed Placement is not underwritten and will be undertaken by way of a private placement in Singapore pursuant to Section 272B of the Securities and Futures Act (Cap. 289) of Singapore ("**SFA**"). Accordingly, no prospectus, offer document or offer information statement will be issued by the Company in connection with the Proposed Placement.

## 2. THE PROPOSED PLACEMENT

### 2.1 Placement Price

The Company had obtained Shareholders' approval at the EGM held on 22 January 2021 for the Company to issue up to 16,000,000 Placement Shares, at a discount to be determined by the Board, based on, amongst others, the market conditions as well as the demand during the book-building process (in which case, the discount may be more than 10.0%), provided that such issue price shall not be less than S\$0.20. The Placement Shares will be allotted and issued in accordance with the terms for the Proposed Placement approved by Shareholders at the EGM held on 22 January 2021.

The Placement Price represents a discount of approximately 12.0% to the volume weighted average price of S\$0.4543 per share for trades done on the SGX-ST on 4 March 2021, being the full market day preceding the date on which the Placement Agreement was signed. The Placement Price was negotiated and agreed between the Company and the Placement Agent, following arm's length negotiations.

### 2.2 Placement Shares

Assuming all the Placement Shares are placed out, the Company's issued share capital will increase from 262,248,881 shares ("**Shares**") as at the date of this announcement ("**Existing Share Capital**") to 278,248,881 Shares ("**Enlarged Share Capital**"). The Placement Shares represent approximately 6.10% of the Existing Share Capital, and approximately 5.75% of the Enlarged Share Capital. The Company does not hold any shares in treasury and does not have any subsidiary holdings.

The Placement Shares, when issued and delivered, will be free from all pre-emption rights, charges, liens and other encumbrances and with all rights and benefits attaching thereto and shall rank *pari passu* in all respects with the Shares in issue as at the date of issue of the Placement Shares, save for any rights, benefits and entitlements the record date for which is before the date of issue of the Placement Shares.

The Placement Shares will not be placed to any person who is a Director or substantial Shareholder or any other person in the categories set out in Rule 812(1) of the Catalist Rules, unless specific Shareholders' approval has been obtained and the relevant restricted parties (who are also Shareholders) must abstain from voting on the resolution approving the Proposed Placement. Each placee subscribing for the Placement Shares pursuant to the Placement Agreement will be independently procured by the Placement Agent.

The Proposed Placement will not result in a transfer of controlling interest of the Company and there are no share borrowing arrangements for the Proposed Placement.

### 2.3 Mandate for the issuance of the Placement Shares

The Placement Shares will be allotted and issued in accordance with the terms for the Proposed Placement approved by Shareholders at the EGM held on 22 January 2021.

### 2.4 Receipt of Listing and Quotation Notice from the SGX-ST

As announced by the Company on 31 December 2020, the Company had obtained the listing and quotation notice from the SGX-ST for the listing and quotation of, amongst others, the Placement Shares on the Catalist board of the SGX-ST.

### 3. SALIENT TERMS OF THE PLACEMENT AGREEMENT

#### 3.1 Placement Commission

In consideration of the agreement of the Placement Agent to procure subscribers on a best efforts basis for the Placement Shares, the Company shall pay to the Placement Agent a placement commission ("**Placement Commission**"), multiplied by the relevant number of Placement Shares allotted and issued by the Company under the Proposed Placement for which the Placement Agent has procured subscribers. The Placement Commission will range from 4.0% to 6.0% of the Gross Proceeds of the Placement Shares depending on the Gross Proceeds raised.

For the purpose of this paragraph, "**Gross Proceeds**" means the aggregate purchase price (without deduction whatsoever) of all Placement Shares subscribed for by subscribers procured by the Placement Agent through the Proposed Placement, including any Placement Shares subscribed for by subscribers procured by the Placement Agent through sub-placement agents as the Placement Agent may in its absolute discretion engage.

#### 3.2 Placement Completion

Subject to the terms and conditions of the Placement Agreement, completion of the Proposed Placement ("**Placement Completion**") shall take place on the date falling three (3) business days after all conditions set out in the Placement Agreement have been satisfied or waived (as the case may be) (or such other date as may be agreed between the parties to the Placement Agreement).

#### 3.3 Conditions Precedent

Placement Completion under the Placement Agreement is conditional upon, *inter alia*, the following conditions:

- (a) approval by Shareholders being obtained at a general meeting of the Company for, *inter alia*, for the allotment and issuance of the Placement Shares;
- (b) the transactions contemplated in the Placement Agreement 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 any party thereto; and
- (c) the representations, warranties and undertakings by each party to the Placement Agreement remaining true and correct in all material respects and each of them having performed all of its obligations hereunder to be performed on or before Placement Completion.

As at the date of this announcement, the condition set out under paragraph 3.3(a) above has been fulfilled as approval from Shareholders has been obtained at the EGM dated 22 January 2021 which was convened for purposes of, *inter alia*, the Proposed Acquisition.

### 4. RATIONALE FOR THE PROPOSED PLACEMENT AND USE OF PROCEEDS

The Proposed Placement is being undertaken in connection with the Proposed Acquisition in order to raise funds for the redemption of the outstanding Series D Convertible Bonds and to provide additional working capital for the Group.

Assuming the Proposed Placement is fully subscribed, the estimated net proceeds raised by the Company from the Proposed Placement, after deducting estimated fees and expenses (including the SGX additional listing fees for the Placement Shares, the Placement Commission, professional

fees and other miscellaneous expenses in connection with the Proposed Placement, of approximately S\$0.9 million), is approximately S\$5.5 million (“**Net Proceeds**”). The Company intends to apply the Net Proceeds towards (in order of priority, in the event the Proposed Placement is not fully subscribed) the following:

- (a) S\$1.8 million (representing 32.7% of the Net Proceeds) for redemption of the outstanding Series D Convertible Bonds maturing in June 2021;
- (b) S\$1.4 million (representing 24.6% of the Net Proceeds) for payment of outstanding expenses in connection with the Proposed Transactions (mainly fees payable to appointed professionals); and
- (c) balance of S\$2.3 million (representing the 42.7% of the Net Proceeds) for general working capital needs of the Group (including S\$1.8 million for manpower costs and S\$0.5 million for operating and administrative expenses).

Shareholders should note that the actual number of Placement Shares to be issued and as such, the actual amount of Net Proceeds will depend on various factors such as market conditions, as well as potential subscribers’ interest in the Shares of the Company, and there is no certainty or assurance that the Company will be able to place out all or any of the Placement Shares. Upon completion of the Proposed Placement and finalisation of the actual number of Placement Shares allotted and issued, the Company will provide the actual amounts of the Gross Proceeds and Net Proceeds, as well as details on the use of such Net Proceeds.

Pending the aforesaid deployment, the Net 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 Group.

The Company will make periodic announcements as to the use of the Net 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 Net Proceeds in its interim and full year financial statements and its annual reports. The Company will also provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and status reports. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reason(s) for such deviation.

## **5. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT**

As stated under paragraph 4 above, the Proposed Placement is being undertaken in connection with the Proposed Acquisition, and accordingly, the other Proposed Transactions (namely the Proposed Share Consolidation, the Proposed Allotment and Issuance of Consideration Shares, the Proposed Allotment and Issuance of Settlement Shares, the Proposed Allotment and Issuance of Mr. Ching Placement Undertaking Shares, the Proposed Allotment and Issuance of ZICO Shares and the Proposed Allotment and Issuance of Target Employees Incentive Shares), which were completed on or before 18 February 2021. As such, the Company is of the view that it is more meaningful to present the overall financial effects of the other Proposed Transactions (which has been set out in section 16 of the Circular) *together with that of* the Proposed Placement, instead of presenting only the financial effects of the Proposed Placement in this announcement.

The *pro forma* financial effects of the Proposed Placement (as well as the other Proposed Transactions) are purely for illustrative purposes only and are neither indicative nor do they represent any projection of the financial performance or position of the Enlarged Group following completion of the Proposed Placement and the other Proposed Transactions.

The *pro forma* financial effects of the Proposed Placement and the other Proposed Transactions set out below have been prepared based on the latest announced consolidated financial statements

of the Group for the financial period ended 31 December 2020 and the latest audited consolidated financial statements of the Target Group for the financial year ended 31 December 2019.

For illustrative purposes only, the financial effects of the Proposed Placement, together with the other Proposed Transactions, are computed based on, amongst others, the following assumptions:

- (a) the financial effects are presented on a post-Proposed Share Consolidation basis, unless stated otherwise;
- (b) the financial effects on the loss after tax attributable to the equity holders of the Company and/or Enlarged Group and the loss per Share (“LPS”) are computed assuming that the Proposed Placement and the other Proposed Transactions were completed on 1 April 2020;
- (c) the financial effects on the net tangible liabilities (“NTL”) or net tangible assets (“NTA”) attributable to the equity holders of the Company and/or Enlarged Group, and NTL per Share or NTA per Share, net liabilities or net assets attributable to equity holders of the Company and/or Enlarged Group, net liability value per Share or net asset value per Share and gearing are computed assuming that the Proposed Placement and the other Proposed Transactions were completed on 31 December 2020;
- (d) the Proposed Acquisition will be considered a reverse acquisition whereby the Target Group will be deemed as the accounting acquirer (legal acquiree) and the Group will be the accounting acquiree (legal acquirer);
- (e) as the Group has disposed all its business, the Proposed Acquisition will not be considered a business combination within the meaning of SFRS(I) 3 – Business Combination, and instead the Proposed Acquisition will be considered as reverse acquisition along with share-based payment in accordance to SFRS(I) 2 – Share-based Payment;
- (f) for the purpose of this analysis, the fair value of the consideration transferred is based on:
  - (1) the market price of the Shares quoted on the SGX-ST amounting to approximately S\$16.5 million (based on (i) the Company’s issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of 37,201,936 Shares as at 18 February 2021 (on a post-Proposed Share Consolidation basis) but before completion of the Proposed Acquisition and other Proposed Transactions; and (ii) the VWAP of S\$0.4424 per Share on 18 February 2021); and
  - (2) adjusted for the financial effects of the Settlement Shares for the redemption of all of the Company Bonds and its associated accrued interest amounting to S\$10.0 million as at 31 December 2020.

Accordingly, the deemed fair value of the consideration transferred is S\$26.5 million;

- (g) the Company has a negative net asset value of S\$10.7 million as at 31 December 2020 and after adjusting for the Settlement Shares and Mr. Ching Placement Undertaking Shares, the Company will have a negative net asset value of S\$0.1 million. The difference between fair value of consideration transferred (S\$26.5 million) and the negative net asset value of the Company (S\$0.1 million) amounts to S\$26.6 million and is treated to be cost of listing to the Target Group (the “**Deemed Listing Expenses**”). The Deemed Listing Expenses is expensed off upon the consolidation of financial statements of both the Group and Target Group on the date of Completion;
- (h) the Target Employees Incentive Shares will vest immediately and hence is expensed off immediately when issued; and
- (i) the expenses in connection with the Proposed Placement and the other Proposed Transactions have been considered for the purpose of calculating the financial effects.

## Share capital of the Company

	Number of Shares	S\$'000
Issued and paid-up share capital as at 31 December 2020 (on a pre-Proposed Share Consolidation basis)	1,797,792,986	71,777
Issued and paid-up share capital as at 31 December 2020 (on a post-Proposed Share Consolidation basis)	35,955,831	71,777
Add: Mr. Ching Placement Undertaking Shares issued	1,246,105	600
Issued and paid-up share capital as at 18 February 2021 (on a post-Proposed Share Consolidation basis) but before completion of the Proposed Acquisition and other Proposed Transactions	37,201,936	72,377
Add: Settlement Shares issued	64,516,129	10,000
Add: Consideration Shares issued	157,725,296	82,806
Add: ZICO Shares issued	2,360,000	1,239
Add: Target Employees Incentive Shares issued	445,520	234
Issued and paid-up share capital as at 18 February 2021 (on a post-Proposed Share Consolidation basis) after completion of the Proposed Acquisition and other Proposed Transactions but before the Proposed Placement	262,248,881	166,656
<b>Add: Placement Shares to be issued</b>	<b>16,000,000</b>	<b>5,546</b>
<b>Issued and paid-up share capital after the other Proposed Transactions and the Proposed Placement</b>	<b>278,248,881</b>	<b>172,202</b>

## (NTL) / NTA per Share

	Before the other Proposed Transactions and the Proposed Placement	After the other Proposed Transactions but before the Proposed Placement	After the other Proposed Transactions and the Proposed Placement
(NTL) / NTA <sup>(1)</sup> attributable to the equity holders of the Company and/or Enlarged Group as at 31 December 2020 (S\$'000)	(10,714)	(1,546)	4,000
Number of Shares as at 31 December 2020 (on a post-Proposed Share Consolidation basis)	35,955,831	262,248,881	278,248,881
<b>(NTL) / NTA<sup>(1)</sup> per Share as at 31 December 2020 (cents)</b>	<b>(29.80)</b>	<b>(0.59)</b>	<b>1.44</b>

### **Note:**

(1) NTA means total assets less the sum of total liabilities, intangible assets and non-controlling interest.

### Net (liability) / asset value per Share

	<b>Before the other Proposed Transactions and the Proposed Placement</b>	<b>After the other Proposed Transactions but before the Proposed Placement</b>	<b>After the other Proposed Transactions and the Proposed Placement</b>
Net (liabilities) / assets attributable to the equity holders of the Company and/or Enlarged Group as at 31 December 2020 (S\$'000)	(10,714)	(98)	5,449
Number of Shares as at 31 December 2020 (on a post-Proposed Share Consolidation basis)	35,955,831	262,248,881	278,248,881
<b>Net (liability) / asset value per Share as at 31 December 2020 (cents)</b>	<b>(29.80)</b>	<b>(0.04)</b>	<b>1.96</b>

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	<b>Before the other Proposed Transactions and the Proposed Placement</b>	<b>After the other Proposed Transactions but before the Proposed Placement</b>	<b>After the other Proposed Transactions and the Proposed Placement</b>
Loss after tax attributable to the equity holders of the Company and/or Enlarged Group (S\$'000)	(1,281)	(33,819)	(33,819)
Weighted average number of Shares (on a post-Proposed Share Consolidation basis) (excluding treasury shares and subsidiary holdings)	35,955,831	262,248,881	278,248,881
<b>LPS (cents)</b>	<b>(3.56)</b>	<b>(12.90)</b>	<b>(12.15)</b>

### Gearing

	<b>Before the other Proposed Transactions and the Proposed Placement</b>	<b>After the other Proposed Transactions but before the Proposed Placement</b>	<b>After the other Proposed Transactions and the Proposed Placement</b>
Total borrowings (S\$'000)	10,667	2,540	2,540
(Negative) equity / Total equity (S\$'000)	(10,714)	(98)	5,449
<b>Gearing (times)</b>	<b>Not meaningful*</b>	<b>Not meaningful*</b>	<b>0.47</b>

\* Not meaningful as the equity of the Enlarged Group was negative.

## 6. STATEMENTS OF THE BOARD

The Directors are of the opinion that, as at the date of this announcement, after taking into consideration:

- (a) the Group's present bank facilities, internal resources and operating cash flows, the working capital available to the Group is sufficient to meet its present requirements, and the Proposed Placement is being undertaken for the aforesaid reasons set out under section 4 of this announcement and the intended use of proceeds; and
- (b) the Group's present bank facilities, internal resources and operating cash flows, as well as the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

## 7. CONFIRMATION BY THE PLACEMENT AGENT

The Placement Agent has confirmed that:

- (a) no part of the Placement Commission will be shared with any placee to be procured by it;
- (b) it will comply with all applicable laws and regulations in each jurisdiction in which it may offer or sell the Placement Shares and that the Proposed Placement shall be conducted by way of a private placement pursuant to section 272B of the SFA;
- (c) it will not offer or sell or procure subscriptions or make an invitation for or in respect of the Placement Shares in any jurisdiction or under any circumstances in which such offer, sale, procurement, subscription or invitation is unlawful or not authorised or to and from any person, unless it is in accordance with any applicable law whether in Singapore or elsewhere; and
- (d) it will not offer the Placement Shares for sale to, or procure subscription for or make an invitation in respect of the Placement Shares to or by any person who (to the best of its knowledge, information and belief and after having made due and careful enquiries) falls within any of the following categories:-
  - (i) the Company's directors and substantial shareholders;
  - (ii) immediate family members (as defined in the Catalist Rules) of the Company's directors and substantial shareholders;
  - (iii) substantial shareholders, related companies (as defined in Section 6 of the Companies Act), associated companies and sister companies of the Company's substantial shareholders;
  - (iv) corporations in whose shares the Company's directors and substantial shareholders have an aggregate interest of at least 10%; or
  - (v) any person who, in the opinion of the SGX-ST, falls within category (i) to (iv) above.

## **8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or Substantial Shareholders and their respective associates has any interest, direct or indirect, in the Proposed Placement (other than their direct or indirect shareholdings in the Company).

## **9. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Placement Agreement will be 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 commencing from the date of this announcement.

## **10. 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 Proposed Placement, 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.

## **11. FURTHER ANNOUNCEMENTS**

The Company will continue to keep Shareholders updated and release announcements relating to the Proposed Placement (including any material developments and progress made) as may be appropriate from time to time.

## **12. CAUTIONARY STATEMENT**

Shareholders and potential investors should note that the Proposed Placement is subject to the fulfilment of, *inter alia*, the conditions precedent set out above, and accordingly, should exercise caution when trading in the Shares. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

## **BY ORDER OF THE BOARD**

Anthony Koh  
Executive Director and Chief Executive Officer

8 March 2021

### **Important Notice**

**Notification under Section 309B of the SFA:** The Placement Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).