



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

RESPONSE TO QUESTIONS FROM SHAREHOLDERS

The board of directors (the “**Board**” or “**Directors**”) of OxPay Financial Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the questions received from the shareholders of the Company ahead of the Company’s Annual General Meeting to be held on 20 April 2023 at 10.00 a.m.. The Company wishes to provide its response below:

Q1. The impact on the financial performance of the Company was attributable to the loss of a key merchant in Singapore.

- (i) **Is the Company heavily dependent on a few key customers? Please elaborate on this concentration risk exposure and how this exposure to be mitigated.**

Company’s response

The Company was dependent on a number of key merchants who had contributed positively to the Group’s financial performance in the past. As the reduction of key merchant risk had been a key priority of the Company’s strategy, the Company had made significant progress to reduce its reliance on any single merchant. The Company will continue to monitor such concentration of risk, work hard to acquire more merchants, and further reduce its dependence on a few key merchants going forward.

- (ii) **Is there a lack of essential talents in the current management team? How does the Board intend to address this gap going forward?**

Company’s response

The Board is of the view that there is sufficient essential talent in the current management team. Furthermore, with recent addition of Koh Jin Kit as the Managing Director of the Group, he brings to the table his experience in formulating corporate strategies for high profile payment companies. Between 2010 to 2013, Koh Jin Kit was the Group Chief Executive Officer of Merchant Solutions Private Limited as well as its Director (Merchant Solutions) for Brunei, China, Hong Kong, India, Macau, Malaysia, Singapore and Sri Lanka.

The Board, which comprises high calibre individuals with expertise, knowledge, skills and experience in areas relating to finance, accounting, legal and business strategy, has been, and will continue to, provide the necessary support and guidance to the management team.

- (iii) **When can we expect the financial performance of the Group to recover from the loss and when can we expect dividends to be declared?**

Company’s response

The new management team intends to leverage the Company’s assets, partnerships, and client portfolio to expand and propel business growth. Barring any unforeseeable circumstances, the Company anticipates a more positive financial performance for the

current financial year ending 31 December 2023 (“FY2023”) under the new management lead.

In making their recommendations for payment of future dividends, the Board will consider, amongst others, the Group’s future earnings, operations, capital requirements, cash flow and financial condition, as well as general business conditions and other factors which the Board may consider appropriate.

(iv) Can I request for a printed copy of the AR 2022 if there are spare copies?

Company’s response

Printed copies of the Annual Report 2022, together with the Notice of AGM and the accompanying Proxy Form, will not be sent to shareholders. Instead, the Annual Report 2022, together with the Notice of AGM and the accompanying Proxy Form, were sent to shareholders by electronic means on 5 April 2023 via publication on SGXNet and on the Company’s website at <http://oxpayfinancial.com> in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meeting for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

Q2. The Board lacks the necessary skills in the digital and payments industry. What does Mr Shawn Ching add to this?

Company’s response

The Nominating Committee is of the view that the current Board comprises individuals with expertise and experience in finance, accounting, legal and business strategy. Specifically, Mr Koh Jin Kit and Mr Chee Kheng Hock Rothschild bring to the table their wealth of experience in the digital and payment industry. Please refer to their respective profiles set out under the section entitled “Profile of Directors” of the Annual Report 2022 for more information.

The Board believes that Mr Shawn Ching, with his experience in handling the general operations and administration of the Oxley Holdings Group, contributes positively to the Board. In addition, Mr Shawn Ching has experience working closely with management teams of companies across various industries, which enables him to provide valuable guidance and oversight of the management team of the Group in terms of funding, operations and business strategy.

Q3. With regard to the re-election of Mr Ng Weng Sui Harry, why does the Board need another qualified CPA when is already has a former partner from Ernst & Young LLP?

Company’s response

Mr Ng has, over time, developed deep insights into the Group’s business and operations and is therefore able to provide invaluable contributions to the Board. It is also noted, given his vast experience as a director on listed companies, he is able to exercise objective judgement in discharging his duties in the best interests of the Group. Furthermore, Mr Ng contributes positively and actively in the discussions and deliberations of the Board and the various Board Committees on which he serves. As such, the Board is proposing his re-election to retain the experience and knowledge that Mr Ng brings with him.

Q4. It is stated that the drop in revenue in FY2022 and loss was primarily attributable to the departure of a key merchant in Singapore. Has the management analysed what is the reason for the departure of the key merchant? What has the management done to improve the competitiveness of the Group’s business model to retain existing merchants and attract new merchants to take up the company merchant payment services and digital commerce enabling solutions?

Company's response

The departure of a key merchant was due to unforeseeable events specific to the merchant in relation to certain government authorities. Nonetheless, the new management team is working hard to expand the Group's merchant base on top of retaining the existing merchants. This will reduce the negative impact that a merchant's issues would have on the Company.

Q5. Are there some business activities are ongoing or planning under E-money and Account Issuance services under its Major Payment Institution License?

Company's response

We refer to the Company's announcement dated 28 October 2022 in relation to the Company securing an in-principle approval ("IPA") from MAS to offer E-money and Account Issuance Services under its Major Payment Institution license. On 27 March 2023, the Company had submitted the License Approval Information as stated in the IPA, and notified the MAS that the Company is preparing to launch the service in the near future. The Company will make the appropriate announcements via SGXNet as and when there are material developments on this matter.

Q6. Does the Company have plans to develop new deep-technology driven payment technologies?

Company's response

The Company's top priority is to bring the Group back to profitability for FY2023. The development of new deep-technology driven payment technologies requires long-term financial and non-financial planning, which the new management team will look into it as and when appropriate.

Q7. As the first financial technology company on SGX, its current share price is below 10 cents. What are the immediate measures taken to bring the company back to profit?

Company's response

Bringing the Group back to profitability in FY2023 is the top and urgent priority of the new management team, and it intends to leverage the Company's assets, partnerships, and client portfolio to expand and propel business growth. Barring unforeseen circumstances, all these actions are expected to lead towards bringing the Company back to profitability.

By Order of the Board

Koh Jin Kit
Managing Director
15 April 2023

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.

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.

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