

CIRCULAR DATED 5 APRIL 2023

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Circular is issued by OxPay Financial Limited (the “**Company**”). If you are in any doubt in relation to the contents of this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the section entitled “DEFINITIONS”.

This Circular, together with the Notice of EGM and the accompanying Proxy Form, has been made available on SGXNet and on the Company’s website at <https://oxpayfinancial.com>. A printed copy of this Circular, together with the Notice of EGM and the accompanying Proxy Form, will NOT be despatched to Shareholders.

If you have sold or transferred all your Shares, you should immediately inform the purchaser or transferee, or the bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular, together with the Notice of EGM and the accompanying Proxy Form, may be accessed via SGXNet and the Company’s website at <https://oxpayfinancial.com>.

This Circular has been prepared by the Company and its contents have been reviewed by the Sponsor in accordance with Rule 226(2)(b) of the Catalist Rules.

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

The contact person for the Sponsor is Ms Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896, telephone (65) 6636 4201.



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

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED ADOPTION OF SHARE PURCHASE MANDATE

IMPORTANT DATES AND TIMES:

- | | |
|--|--|
| Last date and time for lodgement of Proxy Form | : 17 April 2023 at 11.00 a.m. |
| Date and time of EGM | : 20 April 2023 at 11.00 a.m., or immediately after the conclusion of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day |
| Place of EGM | : The EGM will be held by electronic means (please refer to the Notice of EGM for information on how to participate in the EGM) |

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

“Board”	:	The board of Directors of the Company for the time being
“Catalist”	:	The Catalist board of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 5 April 2023
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
“Company”	:	OxPay Financial Limited
“Constitution”	:	The constitution of the Company, as amended or modified from time to time
“Director”	:	A director of the Company for the time being
“EGM”	:	The extraordinary general meeting of the Company, the notice of which is set out on pages 19 to 22 of this Circular
“FY”	:	Financial year ended, or as the case may be, ending 31 December
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	17 March 2023, being the latest practicable date prior to the issue of this Circular
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Notice of EGM”	:	The notice of EGM dated 5 April 2023
“Proxy Form”	:	The proxy form attached to the Notice of EGM
“Registrar”	:	Registrar of Companies
“Relevant Period”	:	The period commencing from the date on which the Share Purchase Mandate is approved and expiring on the date on which the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Purchase Mandate”	:	The general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire Shares on behalf of the Company in accordance with the terms set out in this Circular and the rules and regulations set forth in the Companies Act and the Catalist Rules

DEFINITIONS

“Shareholders”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose securities accounts maintained with CDP are credited with such Shares
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	The Securities Industry Council of Singapore
“Sponsor”	:	ZICO Capital Pte. Ltd.
“Substantial Shareholder”	:	A person who has an interest in the Shares of the Company, and the total votes attached thereto are not less than 5.0% of the total votes attached to all the voting Shares of the Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“treasury shares”	:	Issued Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances which Section 76H of the Companies Act applies and have since purchase been continuously held by the Company
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“%” or “percent”	:	Percentage or per centum

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore (as amended or modified from time to time).

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

References to persons shall, where applicable, include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be. Summaries of the provisions of any laws or regulations contained in this Circular are of such laws or regulations as at the Latest Practicable Date.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof shown are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS

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

Directors

Mr Ching Chiat Kwong (Non-Executive Non-Independent Chairman)
Mr Shawn Ching Wei Hung (Non-Executive Non-Independent Deputy Chairman)
Mr Koh Jin Kit (Managing Director)
Mr Ng Weng Sui Harry (Non-Executive Non-Independent Director)
Mr Kesavan Nair (Lead Independent Director)
Mr Chin Chen Keong (Non-Executive Independent Director)
Mr Chee Kheng Hock, Rothschild (Non-Executive Independent Director)

Registered Office

10 Ubi Crescent
#03-48
Ubi Techpark
Singapore 408564

5 April 2023

To: The Shareholders of OxPay Financial Limited

Dear Sir/Madam

1. INTRODUCTION

- 1.1 The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the company's constitution. Any purchase or acquisition of Shares by the Company must be made in accordance with, and in the manner prescribed by the Companies Act, the Constitution and such other laws and regulations as may, for the time being, be applicable. As the Company is listed on Catalist, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares. Regulation 72(2) of the Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares.
- 1.2 It is a requirement under the Companies Act and the Catalist Rules that a company which wishes to purchase or otherwise acquire its own shares should obtain approval of its shareholders to do so at a general meeting. Accordingly, the Directors are convening the EGM to be held on 20 April 2023 to seek Shareholders' approval for the proposed adoption of the Share Purchase Mandate.
- 1.3 The purpose of this Circular is to explain the rationale for and to provide Shareholders with information relating to the proposed adoption of the Share Purchase Mandate, and to seek Shareholders' approval at the EGM.
- 1.4 The Company has appointed Vincent Lim & Associates LLC as the legal adviser to the Company in relation to this Circular for the proposed adoption of the Share Purchase Mandate.

2. THE PROPOSED SHARE PURCHASE MANDATE

2.1 Rationale for the Share Purchase Mandate

The approval of the adoption of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions up to the limit described in Section 2.2 below at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

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The rationale for the Share Purchase Mandate includes the following:

- (a) The Share Purchase Mandate would provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements and investment needs to its Shareholders in an expedient and cost-efficient manner.
- (b) The purchase or acquisition of Shares under the Share Purchase Mandate is one of the ways in which the return on equity of the Company may be enhanced, thereby increasing shareholder value.
- (c) The Share Purchase Mandate will allow the Directors to exercise greater control over the Company's share capital structure, dividend policy and cash reserves, with a view to enhancing the net tangible assets and/or earnings per Share.
- (d) The purchase or acquisition of Shares under the Share Purchase Mandate will help to mitigate short-term share price volatility by stabilising the supply and demand of issued Shares and offset the effects of short-term share price speculation, thereby supporting the fundamental value of the issued Shares and bolstering Shareholders' confidence.
- (e) The Share Purchase Mandate will allow the Directors to effectively manage and minimise any dilution impact associated with any share-based incentive scheme of the Company.

The purchase or acquisition of Shares will only be undertaken if the Directors believe that it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity of Shares or the financial position of the Company and the Group or result in the Company being delisted. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Purchase Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

2.2 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed Share Purchase Mandate, if approved at the EGM, are summarised below:

(a) Maximum Number of Shares

The Company may purchase only Shares which are issued and fully paid-up. The total number of Shares that may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the EGM at which the resolution authorising the Share Purchase Mandate is passed (the "**Approval Date**"), unless the Company has thereafter, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered (excluding treasury shares and subsidiary holdings).

For illustrative purposes only, based on the issued share capital of the Company as at the Latest Practicable Date of 275,843,137 Shares (with no treasury shares or subsidiary holdings), and assuming that (i) no new Shares are issued, and (ii) there are no subsidiary holdings, on or prior to the date of the EGM, not more than 27,584,313 Shares, representing 10% of the issued Shares as at that date, may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

LETTER TO SHAREHOLDERS

While the Share Purchase Mandate would authorise the purchase or acquisition of Shares up to the 10% limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out up to the full 10% limit as authorised, or at all. In particular, no purchase or acquisition of Shares would be made in circumstances which would have or may have a material adverse effect on the float, liquidity or orderly trading of the Shares and/or financial position of the Group.

(b) Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date up to the earliest of:

- (i) the date on which the next annual general meeting of the Company is held or is required by law to be held;
- (ii) the date on which the purchase or acquisition of Shares have been carried out to the full extent of the Share Purchase Mandate; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by an ordinary resolution of Shareholders in a general meeting.

The authority conferred on the Directors by the Share Purchase Mandate to purchase or acquire Shares may be renewed at the next annual general meeting or at an extraordinary general meeting of the Company to be convened immediately after the conclusion or adjournment of the next annual general meeting. When seeking the approval of the Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares made pursuant to the Share Purchase Mandate during the previous 12 months (whether Market Purchases (as defined below) or Off-Market Purchases (as defined below)), including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions of Shares.

(c) Manner of Purchase or Acquisition of Shares

Purchases or acquisitions of Shares may be made on the SGX-ST ("**Market Purchases**") and/or otherwise than on the SGX-ST, in accordance with an equal access scheme (as defined in Section 76C(6) of the Companies Act) ("**Off-Market Purchases**").

Market Purchases refer to purchases or acquisitions of Shares by the Company effected through the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases or acquisitions of Shares by the Company made under an equal access scheme or schemes for the purchases or acquisitions of Shares from Shareholders. The Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Catalist Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (i) offers for the purchase or acquisition of issued shares shall be made to every person who holds issued shares to purchase or acquire the same percentage of their issued shares;

LETTER TO SHAREHOLDERS

- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers are the same, except that there shall be disregarded:
 - (aa) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;
 - (bb) (if applicable) differences in consideration attributable to the fact that offers relate to shares with different amounts remaining unpaid; and
 - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

In addition, the Catalist Rules provide that, in making an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders, which must contain at least the following information:

- (i) the terms and conditions of the offer;
 - (ii) the period and procedures for acceptances;
 - (iii) the reasons for the proposed share purchase or acquisition;
 - (iv) the consequences, if any, of the share purchases or acquisitions by the Company that will arise under the Take-over Code or other applicable take-over rules;
 - (v) whether the share purchase or acquisition, if made, could affect the listing of the Shares on the SGX-ST;
 - (vi) details of any share purchases or acquisitions made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions of Shares; and
 - (vii) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.
- (d) Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commissions, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for the Shares must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined below),

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase or acquisition.

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For the above purposes:

“Average Closing Price” means the average of the closing market prices of a Share over the last five Market Days on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during such five-Market Day period and the day on which the Market Purchase is made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase; and

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.3 Status of Purchased or Acquired Shares

Any Share which is purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share will expire on such cancellation), unless such Share is held by the Company as a treasury share in accordance with the Companies Act. At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

(a) Cancelled Shares

Where Shares purchased or acquired by the Company are cancelled, the Company shall:

- (i) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (ii) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (iii) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled.

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of such purchased or acquired Shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and not held as treasury shares.

(b) Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the key provisions on treasury shares under the Companies Act are summarised below:

LETTER TO SHAREHOLDERS

(i) Maximum Holdings

The aggregate number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with the applicable provisions of the Companies Act before the end of the period of six months beginning with the day on which that contravention occurs, or such further period as the Registrar may allow.

(ii) Voting and Other Rights

The Company shall not exercise any right in respect of the treasury shares and any purported exercise of such a right is void. In particular, the Company will not have the right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets may be made, to the Company in respect of the treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of the treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is allowed, so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(iii) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):

- (aa) sell the treasury shares (or any of them) for cash;
- (bb) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, Directors or other persons;
- (cc) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (dd) cancel the treasury shares (or any of them); or
- (ee) sell, transfer or otherwise use the treasury shares (or any of them) for such other purposes as may be prescribed by the Minister for Finance of Singapore.

Under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the “usage”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the Catalist before and after the usage, and the value of the treasury shares if they are used for a sale or transfer or cancelled.

LETTER TO SHAREHOLDERS

2.4 Source of Funds

The Company may only apply funds for the purchase or acquisition of Shares in accordance with the Constitution and the applicable laws and regulations in Singapore. The Company may not purchase or acquire its Shares for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Companies Act permits the Company to purchase or acquire its Shares out of capital or distributable profits so long as the Company is solvent. For this purpose, the Company is solvent if at the date of payment for the Shares purchased or acquired, the following conditions are satisfied:

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if:
 - (i) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the purchase or acquisition of Shares, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal resources or external borrowings, or a combination of internal resources and external borrowings, to finance the purchase or acquisition of Shares pursuant to the Share Purchase Mandate. The Directors will principally consider the availability of internal resources, taking into account the impact on the cash reserves of the Company as well as the working capital requirements of the Group. In considering the option of external borrowings, the Directors will consider particularly the prevailing gearing level of the Company and the Group, as well as the costs of such financing. The Directors do not propose to exercise the Share Purchase Mandate in such a manner and to such an extent that the liquidity and capital adequacy position of the Company and the Group would be materially adversely affected.

2.5 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions that may be made pursuant to the proposed Share Purchase Mandate on the net tangible asset value or earnings per Share as the resultant effect would depend on factors such as whether the Shares are purchased or acquired out of profits and/or capital of the Company, the aggregate numbers of Shares purchased or acquired, the purchase prices paid at the relevant times, whether the Shares purchased or acquired are held in treasury or immediately cancelled on purchase or acquisition, how the Shares held in treasury are subsequently dealt with by the Company in accordance with Section 76K of the Companies Act, and the amounts (if any) borrowed by the Company to fund the purchases or acquisitions.

Where the purchase or acquisition of Shares is made out of distributable profits, such purchase or acquisition (including costs incidental to the purchase or acquisition) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where the purchase or acquisition of Shares is financed through internal resources, it will reduce the cash reserves of the Group and the Company, and thus the current assets and

LETTER TO SHAREHOLDERS

Shareholders' funds of the Group and the Company. This will result in an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would be an increase in the gearing ratios of the Group and the Company, and a decline in the current ratios and Shareholders' funds of the Group and the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

For illustrative purposes only and on the basis of the following assumptions:

- (a) that the issued share capital of the Company as at the Latest Practicable Date of 275,843,137 Shares (with no treasury shares or subsidiary holdings) remains unchanged up to the date of the EGM;
- (b) that the purchase or acquisition by the Company of 27,584,313 Shares, representing 10% of its issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, was made on the Latest Practicable Date;
- (c) that (i) in the case of Market Purchases, the Company purchased or acquired Shares at the Maximum Price of S\$0.059* for each Share (being 105% of the Average Closing Price of the Shares for the five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date), and (ii) in the case of Off-Market Purchases, the Company purchased or acquired Shares at the Maximum Price of S\$0.068* for each Share (being 120% of the Average Closing Price of the Shares for the five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date);

* rounded down to 3 decimal points
- (d) that the purchase or acquisition of Shares by the Company, which required funds amounting to, in the case of Market Purchases, S\$1,627,474, and in the case of Off-Market Purchases, S\$1,875,733, was financed entirely using its internal sources of funds;
- (e) that the purchase or acquisition of Shares was made entirely out of capital; and
- (f) that the transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Purchase Mandate are insignificant and have not been taken into account in computing the financial effects,

the financial effects of Share purchases or acquisitions by the Company pursuant to the Share Purchase Mandate by way of (i) purchases or acquisitions made entirely out of capital and held as treasury shares; and (ii) purchases or acquisitions made entirely out of capital and cancelled, on the audited consolidated financial statements of the Group for FY2022, are set out below.

The financial effects of Share purchases or acquisitions by the Company pursuant to the Share Purchase Mandate by way of purchases or acquisitions made entirely out of profits are similar to that of purchases or acquisitions made entirely out of capital. Therefore, only the financial effects of Share purchases or acquisitions by the Company pursuant to the Share Purchase Mandate by way of purchases or acquisitions made entirely out of capital are set out in this Circular. In addition, as the Company has accumulated losses as at 31 December 2022, it is unlikely that the Share purchases or acquisitions will be made entirely out of profits.

LETTER TO SHAREHOLDERS

Scenario 1

Purchase or acquisition of 27,584,313 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of capital and held as treasury shares

	Group			Company		
	Before Share Purchase	After Share Purchase	Off-Market Purchase	Before Share Purchase	After Share Purchase	Off-Market Purchase
As at 31 December 2022	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	55,757	55,757	55,757	170,474	170,474	170,474
Reserves	2,997	2,997	2,997	2,515	2,515	2,515
Accumulated losses	(52,924)	(52,924)	(52,924)	(168,607)	(168,607)	(168,607)
Treasury shares	-	(1,627)	(1,876)	-	(1,627)	(1,876)
Non-controlling interests	(342)	(342)	(342)	-	-	-
Total Shareholders' equity	5,830	4,203	3,954	4,382	2,755	2,506
Net tangible assets	5,500	3,873	3,624	4,382	2,755	2,506
Current assets	25,609	25,609	25,609	76	76	76
Current liabilities	20,637	22,264	22,513	794	2,421	2,670
Total borrowings	-	1,627	1,876	-	1,627	1,876
Number of Shares ⁽¹⁾ ('000)	275,843	248,259	248,259	275,843	248,259	248,259
Weighted average number of Shares ('000)	274,489	246,905	246,905	274,489	246,905	246,905
Financial Ratios						
Net tangible assets per Share ⁽²⁾ (cents)	1.99	1.56	1.46	1.59	1.11	1.01
Loss per Share (cents)	(0.17)	(0.19)	(0.19)	(2.20)	(2.45)	(2.45)
Gearing ratio ⁽³⁾ (times)	-	0.42	0.52	-	0.59	0.75
Current ratio ⁽⁴⁾ (times)	1.24	1.15	1.14	0.10	0.03	0.03

Notes:

- (1) Excluding treasury shares and subsidiary holdings. As at 31 December 2022, the Company does not have any subsidiary holdings.
- (2) Net tangible assets per Share is computed based on total net assets less deferred expenditure, other intangible assets and non-controlling interests, divided by the number of issued Shares (excluding treasury shares and subsidiary holdings). As at 31 December 2022, the Company does not have any subsidiary holdings.
- (3) Gearing ratio equals total borrowings divided by Shareholders' equity (excluding non-controlling interests).
- (4) Current ratio equals current assets divided by current liabilities.

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Scenario 2

Purchase or acquisition of 27,584,313 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of capital and cancelled

	Group			Company		
	Before Share Purchase	After Share Purchase	Off-Market Purchase	Before Share Purchase	After Share Purchase	Off-Market Purchase
As at 31 December 2022	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	55,757	54,130	53,881	170,474	168,847	168,598
Reserves	2,997	2,997	2,997	2,515	2,515	2,515
Accumulated losses	(52,924)	(52,924)	(52,924)	(168,607)	(168,607)	(168,607)
Treasury shares	-	-	-	-	-	-
Non-controlling interests	(342)	(342)	(342)	-	-	-
Total Shareholders' equity	5,830	4,203	3,954	4,382	2,755	2,506
Net tangible assets	5,500	3,873	3,624	4,382	2,755	2,506
Current assets	25,609	25,609	25,609	76	76	76
Current liabilities	20,637	22,264	22,513	794	2,421	2,670
Total borrowings	-	1,627	1,876	-	1,627	1,876
Number of Shares ⁽¹⁾ ('000)	275,843	248,259	248,259	275,843	248,259	248,259
Weighted average number of Shares ('000)	274,489	246,905	246,905	274,489	246,905	246,905
Financial Ratios						
Net tangible assets per Share ⁽²⁾ (cents)	1.99	1.56	1.46	1.59	1.11	1.01
Loss per Share (cents)	(0.17)	(0.19)	(0.19)	(2.20)	(2.45)	(2.45)
Gearing ratio ⁽³⁾ (times)	-	0.42	0.52	-	0.59	0.75
Current ratio ⁽⁴⁾ (times)	1.24	1.15	1.14	0.10	0.03	0.03

Notes:

- (1) Excluding treasury shares and subsidiary holdings. As at 31 December 2022, the Company does not have any subsidiary holdings.
- (2) Net tangible assets per Share is computed based on total net assets less deferred expenditure, other intangible assets and non-controlling interests, divided by the number of issued Shares (excluding treasury shares and subsidiary holdings). As at 31 December 2022, the Company does not have any subsidiary holdings.
- (3) Gearing ratio equals total borrowings divided by Shareholders' equity (excluding non-controlling interests).
- (4) Current ratio equals current assets divided by current liabilities.

Shareholders should note that the financial effects set out above are purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical FY2022 audited numbers and is not necessarily reflective of the future financial performance of the Company and the Group. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company may not purchase or acquire or be able to purchase or acquire 10% of the issued Shares (excluding treasury shares and subsidiary holdings) in full. In addition, the Company

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may cancel all or part of the Shares purchased or acquired, or hold all or part of the Shares purchased or acquired in treasury.

2.6 Catalist Rules

Under the Catalist Rules, a listed company may purchase or acquire shares by way of Market Purchases at a price per share which is not more than 5% above the average of the closing market prices of the shares over the last five Market Days, on which transactions in the shares were recorded, before the day on which the purchases or acquisitions were made and deemed to be adjusted for any corporate action that occurs after the relevant five-day period and the day on which the purchases or acquisitions were made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 2.2(d) of this Circular, conforms to this restriction.

The Catalist Rules specify that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement must include, *inter alia*, details of the date of the purchases of the shares, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, and the cumulative number of shares purchased. Such announcement will be made in the form prescribed by the Catalist Rules.

While the Catalist Rules do not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Catalist Rules on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one month immediately preceding the announcement of the Company’s half-year and full-year financial statements, and ending on the date of the announcement of the relevant financial statements.

2.7 Listing Status on the SGX-ST

The Company is required under Rule 723 of the Catalist Rules to ensure that at least 10% of its issued Shares (excluding preference shares, convertible equity securities and treasury shares) are in the hands of the public. The “public”, as defined in the Catalist Rules, are persons other than the Directors, Chief Executive Officer, Substantial Shareholders and controlling Shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Catalist Rules) of such persons.

As at the Latest Practicable Date, there were approximately 198,028,583 issued Shares in the hands of the public (as defined above), representing approximately 71.79% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company. Assuming that the Company purchases or acquires its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate and holds the purchased or acquired Shares as treasury shares, the number of issued Shares in the hands of the public would be reduced to 170,444,270 Shares, representing approximately 68.66% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company. As at the Latest Practicable Date, the Company did not hold any treasury shares and did not have any preference shares or convertible equity securities, and there are no subsidiary holdings.

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In view of the foregoing, the Company is of the view that there is, at present, a sufficient number of Shares in public hands that would permit the Company to potentially undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without:

- (a) affecting adversely the listing status of the Shares on the SGX-ST;
- (b) causing market illiquidity; or
- (c) affecting adversely the orderly trading of Shares.

2.8 Tax Implications

When a company purchases its own shares using its distributed profits or contributed capital, it will be regarded as any other disposal of shares by the shareholders from whom the shares are acquired.

For income tax purposes, whether or not the proceeds received by the Shareholders are taxable in the hands of the Shareholders who sell their Shares to the Company for which the purchases or acquisitions were made out of distributed profits or contributed capital will depend on whether such proceeds are receipts of an income or capital nature.

Shareholders should note that the foregoing is not to be regarded as advice on the tax position of any Shareholder. Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases or acquisitions by the Company, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.9 Implications of Take-over Code

2.9.1 Obligation to Make a Take-over Offer

If as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in a change in control, or as a result of such increase a Shareholder or group of Shareholders acting in concert obtain or consolidate control, it may in certain circumstances give rise to an obligation on the part of such Shareholder or Shareholders to make a take-over offer under Rule 14 of the Take-over Code ("**Rule 14**").

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code ("**TOC Appendix 2**").

In relation to Directors and persons acting in concert with them, Rule 14 provides that unless exempted (or if exempted, such exemption is subsequently revoked), Directors and persons acting in concert with them will incur an obligation to make a take-over offer if, as a result of a purchase or acquisition of Shares by the Company:

- (a) the percentage of voting rights held by such Directors and their concert parties in the Company increases to 30% or more; or
- (b) if they together hold between 30% and 50% of the Company's voting rights, their voting rights increase by more than 1% in any period of six months.

Under TOC Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or,

LETTER TO SHAREHOLDERS

if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

2.9.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate control of that company. Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert: (i) a company with any of its directors, together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts; and (ii) a company, its parent company, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other. For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

As at the Latest Practicable Date, Mr Ching Chiat Kwong (Non-Executive Non-Independent Chairman of the Company), Mr Shawn Ching Wei Hung (Non-Executive Non-Independent Deputy Chairman of the Company, and son of Mr Ching Chiat Kwong) and Mr Ng Weng Sui Harry (Non-Executive Non-Independent Director of the Company) collectively held 26.80% of the issued Shares. In the event that the Company purchases or acquires up to the maximum of 10% of its issued Shares pursuant to the proposed Share Purchase Mandate, the aggregate shareholdings of the aforesaid Directors will increase to 29.77% of the issued Shares (excluding treasury shares and subsidiary holdings), illustrated as follows:

	As at the Latest Practicable Date			After purchases or acquisitions of maximum number of Shares permitted under the Share Purchase Mandate		
	Direct Interest	Deemed Interest	Total Interest	Direct Interest	Deemed Interest	Total Interest
	Number of Shares	Number of Shares	% ⁽¹⁾	Number of Shares	Number of Shares	% ⁽²⁾
Directors						
Ching Chiat Kwong	73,663,613	-	26.70	73,663,613	-	29.67
Shawn Ching Wei Hung	140,000	-	0.05	140,000	-	0.06
Ng Weng Sui Harry	109,800	-	0.04	109,800	-	0.04
Total	73,913,413	-	26.80	73,913,413	-	29.77

Notes:

- (1) The percentages are calculated based on 275,843,137 issued Shares (with no treasury shares or subsidiary holdings) in the capital of the Company as at the Latest Practicable Date.
- (2) The percentages are calculated based on (i) 248,258,824 issued Shares, assuming that the Shares purchased or acquired are cancelled, or (ii) 248,258,824 issued Shares (excluding treasury shares and subsidiary holdings), assuming that the Shares purchased or acquired are held as treasury shares, after the purchase or acquisition by the Company of the maximum number of 27,584,313 Shares as permitted under the Share Purchase Mandate, and there is no change in the number of Shares held or deemed to be held by the aforesaid Directors.

As their aggregate voting rights would remain below 30% of the total voting rights in the Company, the aforesaid Directors would not be obliged to make a take-over offer under Rule

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14 as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate.

Shareholders who are in any doubt as to whether they would incur any obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Purchase Mandate is in force.

2.10 Reporting Requirements

Within 30 days of the passing of the Shareholders' resolution to approve the proposed Share Purchase Mandate, the Directors shall lodge a copy of such resolution with the Registrar.

The Directors shall lodge with the Registrar a notice of Share purchase within 30 days of a Share purchase or acquisition. Such notification shall include the date of the purchase or acquisition, the number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase or acquisition, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of the profit or the capital of the Company, and such other particulars as may be required in the prescribed form.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with the Registrar the notice of cancellation or disposal of treasury shares in the prescribed form.

2.11 No Share Purchases in the Previous 12 Months

No purchases or acquisitions of Shares have been made by the Company in the 12 months preceding the Latest Practicable Date.

2.12 Limits on Shareholdings

The Company does not have any individual shareholding limit or foreign shareholding limit.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the share capital of the Company as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders kept by the Company, are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Ching Chiat Kwong	73,663,613	26.70	-	-
Shawn Ching Wei Hung	140,000	0.05	-	-
Koh Jin Kit	-	-	-	-
Ng Weng Sui Harry	109,800	0.04	-	-
Kesavan Nair	-	-	-	-
Chin Chen Keong	-	-	-	-
Chee Kheng Hock	-	-	-	-

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	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Substantial Shareholders (other than Directors)	-	-	-	-

Note:

(1) The percentages are calculated based on 275,843,137 issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the Latest Practicable Date.

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the proposed adoption of the Share Purchase Mandate, save through their shareholdings in the Company (if any).

4. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 19 to 22 of this Circular, will be held by electronic means on Thursday, 20 April 2023 at 11.00 a.m., or immediately after the conclusion of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day, for the purpose of considering and, if thought fit, passing with or without modifications the ordinary resolution for the adoption of the Share Purchase Mandate as set out in the Notice of EGM.

5. ACTION TO BE TAKEN BY SHAREHOLDERS

The Company will conduct the EGM by electronic means only and Shareholders will not be able to physically attend the EGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by electronic means, submit questions in advance of the EGM or during the EGM, and vote during the EGM themselves or appoint proxies to vote on their behalf at the EGM or appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM. Please refer to the Notice of EGM for further details.

6. DIRECTORS' RECOMMENDATIONS

Having fully considered the rationale and information relating to the proposed Share Purchase Mandate as set out in this Circular, the Directors are of the opinion that the proposed adoption of the Share Purchase Mandate is in the best interest of the Company, and accordingly recommend that Shareholders vote in favour of the ordinary resolution to approve the proposed adoption of the Share Purchase Mandate at the EGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

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8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 10 Ubi Crescent, #03-48 Ubi Techpark, Singapore 408564, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Constitution of the Company; and
- (b) the Annual Report of the Company for FY2022.

Yours faithfully

For and on behalf of the Board of Directors of
XPAY FINANCIAL LIMITED

Ching Chiat Kwong
Non-Executive Non-Independent Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of OxPay Financial Limited (the “**Company**”) will be held by electronic means on Thursday, 20 April 2023 at 11.00 a.m., or immediately after the conclusion of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day, for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolution:

PROPOSED ADOPTION OF SHARE PURCHASE MANDATE

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore (the “**Companies Act**”), the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares (“**Shares**”) in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) market purchases (each a “**Market Purchase**”) on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (ii) off-market purchases (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with any equal access scheme as may be determined or formulated by the directors of the Company as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

(b) the authority conferred on the directors of the Company pursuant to the Share Purchase Mandate may be exercised by the directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next annual general meeting of the Company is held or is required by law to be held;
- (ii) the date on which the purchase or acquisition of Shares have been carried out to the full extent of the Share Purchase Mandate; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in general meeting;

(c) in this Resolution:

“**Prescribed Limit**” means the number of Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution, unless the Company has reduced its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as defined hereinafter), in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered (excluding treasury shares and subsidiary holdings);

NOTICE OF EXTRAORDINARY GENERAL MEETING

“Relevant Period” means the period commencing from the date of the passing of this Resolution and expiring on the date on which the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier; and

“Maximum Price” in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase : 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase : 120% of the Average Closing Price,

where:

“Average Closing Price” is the average of the closing market prices of a Share over the last five Market Days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during such five-Market Day period and the day on which the Market Purchase is made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase;

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“Market Day” means a day on which the SGX-ST is open for trading in securities; and

- (d) the directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

By Order of the Board

Vincent Lim / Wee Mae Ann
Company Secretaries

Singapore
5 April 2023

Notes:

1. The EGM is being convened and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Circular, together with this Notice of EGM and the accompanying Proxy Form, will not be sent to members. Instead, the Circular, together with this Notice of EGM and the accompanying Proxy Form, will be sent to members by electronic means via publication on SGXNet and on the Company's website at <https://oxpayfinancial.com>.

Participation in the EGM Proceedings

2. Members will not be able to attend the EGM in person. Members who wish to attend the EGM via electronic means must pre-register themselves or their appointed proxies at <https://conveneagm.com/sg/oxpay2023> by **11.00 a.m. on 17 April 2023** to enable the Company to verify their status. Pre-registrations received after the deadline will not be processed.

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. Following the verification, authenticated members and proxies will receive an email by 11.00 a.m. on 19 April 2023. The email will contain instructions on how to access the live audio-visual webcast and the live audio-only stream of the EGM proceedings. Members and proxies who have registered by the deadline on 17 April 2023, but do not receive an email by 11.00 a.m. on 19 April 2023, should contact the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. via email at shareregistry@incorp.asia and provide their full name and identification/registration number.
4. Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (including those who hold shares under the Supplementary Retirement Scheme) and who wish to participate in the EGM proceedings via electronic means or submit questions in advance of the EGM, should contact their respective relevant intermediaries (including SRS Operators) as soon as possible in order to make the necessary arrangements for them to do so.
5. A Depositor shall not be regarded as a member of the Company entitled to participate in the EGM proceedings and to exercise his voting rights thereat unless his name appears on the Depository Register as at 72 hours before the EGM.

Submission of questions

6. Members and proxies who have registered and been authenticated will be able to ask questions relating to the resolution to be tabled for approval at the EGM during the EGM by submitting text-based questions through the live chat function on the webcast platform. The Company will endeavour to address such questions during the EGM.
7. Members can also submit questions relating to the resolution to be tabled for approval at the EGM in advance of the EGM in the following manner:
 - (a) via the pre-registration website at <https://conveneagm.com/sg/oxpay2023>; or
 - (b) by email to shareregistry@incorp.asia; or
 - (c) by post to the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712,

in each case to be received no later than 9.00 a.m. on 13 April 2023.

If the questions are submitted by post or electronic mail, the member's full name and identification/registration number must be included for verification purposes, failing which the submission will be treated as invalid.

8. The Company will address substantial and relevant questions relating to the resolution to be tabled for approval at the EGM which are submitted in advance of the EGM by the aforesaid deadline by publishing the responses to the questions on SGXNet and the Company's website at least 48 hours before the closing date and time for the lodgement of the proxy forms for the EGM. Where substantially similar questions are received, the Company may consolidate such questions when responding to them and thus not all questions may be individually addressed.

Voting

9. Members (whether individual or corporate) who wish to exercise their voting rights at the EGM may cast their votes remotely in real-time during the EGM or appoint proxies to vote on their behalf remotely in real-time during the EGM. Members may also appoint the Chairman of the Meeting as their proxy to vote on their behalf at the EGM. The proxy form for the EGM is available on SGXNet and on the Company's website at <https://oxpayfinancial.com>.
10. Unless otherwise permitted under the Companies Act, a member of the Company entitled to attend, speak and vote at the EGM may appoint not more than two proxies to attend, speak and vote instead of him. A proxy (including the Chairman of the Meeting as proxy) need not be a member of the Company. A member who is a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.
11. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the proxy form. Where a member appoints the Chairman of the Meeting as his proxy, he must give specific instructions as to voting, or abstentions from voting, in respect of each resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
12. Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (including those who hold shares under the Supplementary Retirement Scheme) and who wish to participate in the EGM proceedings via electronic means or to appoint proxies to vote must approach their respective relevant intermediaries (including SRS Operators) to submit their instructions by **10 April 2023**, to enable their respective relevant intermediaries to submit proxy forms so that they are received no later than **11.00 a.m. on 17 April 2023**.
13. A member (whether individual or corporate) who wishes to submit a proxy form to appoint a proxy or proxies (including the Chairman of the Meeting as proxy) must first download, complete and sign the proxy form, before submitting it:
 - (a) by post to the office of the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
 - (b) by email to shareregistry@incorp.asia,

NOTICE OF EXTRAORDINARY GENERAL MEETING

in either case, to be received no later than **11.00 a.m. on 17 April 2023** (being 72 hours before the time appointed for holding the EGM), failing which the proxy form will be treated as invalid. Members are strongly encouraged to submit completed proxy forms electronically via email.

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing proxy or proxies to attend, speak and vote at the EGM and/or any adjournment thereof, or (b) submitting details for the registration to participate in the proceedings of the EGM, or (c) submitting any question prior to or during the EGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of proxy forms for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members of the Company (or their corporate representatives in the case of members of the Company which are legal entities) to participate in the proceedings of the EGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members of the Company received before or during the EGM and if necessary, following up with the relevant members of the Company in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities,

and warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the aforesaid purposes, and agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the EGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

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

The contact person for the Sponsor is Ms Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896, telephone (65) 6636 4201.

PROXY FORM

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

EXTRAORDINARY GENERAL MEETING

IMPORTANT

1. For investors who have used their SRS moneys to buy the Company's shares, this Circular is forwarded to them at the request of their SRS Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by such SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. Such SRS investors should contact their respective agent banks if they have any queries regarding their appointment as proxies.

I/We _____ (Name)
_____ (NRIC/Passport/Company Registration No.)
of _____ (Address)
being a member/members of XPAY FINANCIAL LIMITED (the "Company") hereby appoint:

Name	Address	NRIC / Passport Number	Email Address	Proportion of Shareholdings (%)

and/or (deleted as appropriate)

Name	Address	NRIC / Passport Number	Email Address	Proportion of Shareholdings (%)

or failing the person or both of the persons above, the Chairman of the Meeting, as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf, at the Extraordinary General Meeting ("EGM") of the Company to be held by electronic means on Thursday, 20 April 2023 at 11.00 a.m., or immediately after the conclusion of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day, and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution to be proposed at the EGM or to abstain voting, as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the EGM and at any adjournment thereof, except that where the Chairman of the Meeting is appointed as proxy and no specific directions as to voting is given in respect of the resolution, the appointment of the Chairman of the Meeting as proxy for the resolution will be treated as invalid. The resolution put to vote at the EGM shall be decided by poll.

No.	Ordinary Resolution	For	Against	Abstain
1.	To approve the proposed adoption of Share Purchase Mandate			

(Please indicate with a cross [X] in the space provided whether you wish to cast all your votes for or against or to abstain from voting on the resolution as set out in the Notice of EGM. Alternatively, if you wish to exercise your votes both for and against the resolution and/or to abstain from voting on the resolution, please indicate the number of shares in the respective spaces provided.)

Dated this _____ day of _____ 2023

Total number of shares held:	
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Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.
2. Members (whether individual or corporate) who wish to exercise their voting rights at the EGM may cast their votes remotely in real-time during the EGM or appoint proxies to vote on their behalf remotely in real-time during the EGM. Members may also appoint the Chairman of the Meeting as their proxy to vote on their behalf at the EGM.
3. Unless otherwise permitted under the Companies Act 1967 of Singapore (the “**Companies Act**”), a member of the Company entitled to attend, speak and vote at the EGM) may appoint not more than two proxies to attend, speak and vote instead of him. A proxy (including the Chairman of the Meeting as proxy) need not be a member of the Company. A member who is a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.
4. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the proxy form. Where a member appoints the Chairman of the Meeting as his proxy, he must give specific instructions as to voting, or abstentions from voting, in respect of each resolution in this proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
5. Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (including those who hold shares under the Supplementary Retirement Scheme) and who wish to participate in the EGM proceedings via electronic means or to appoint proxies to vote must approach their respective relevant intermediaries (including SRS Operators) to submit their instructions by **10 April 2023**, to enable their respective relevant intermediaries to submit proxy forms so that they are received no later than **11.00 a.m. on 17 April 2023**.
6. A member (whether individual or corporate) who wishes to submit a proxy form to appoint a proxy or proxies (including the Chairman of the Meeting as proxy) must first download, complete and sign this proxy form, before submitting it:
 - (a) by post to the office of the Company’s Share Registrar, In.Corp Corporate Services Pte. Ltd., at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
 - (b) by email to shareregistry@incorp.asia,in either case, to be received no later than **11.00 a.m. on 17 April 2023** (being 72 hours before the time appointed for holding the EGM), failing which the proxy form will be treated as invalid. Members are strongly encouraged to submit completed proxy forms electronically via email.
7. This proxy form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form shall be treated as invalid.
8. The Company shall be entitled to reject a proxy form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
9. By submitting this proxy form, a member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 5 April 2023.