



OxPay Financial Limited
(Incorporated in the Republic of Singapore)
(Company Registration No.200407031R)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD
ENDED 30 JUNE 2022
(UNAUDITED)**

This announcement has been prepared by OxPay Financial Limited (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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A. General information

OxPay Financial Limited (the “**Company**” and together with its subsidiaries, the “**Group**”), formerly known as MC Payment Limited, was formed through the acquisition of the entire issued share capital of OxPay SG Pte. Ltd., formerly known as MC Pay Pte. Ltd. (“**OxPay**” and together with its subsidiaries, the “**OxPay Group**”) (the “**RTO**”). The RTO was completed on 18 February 2021 and the Company changed its name to “OxPay Financial Limited” on 2 September 2021.

Please refer to the Company’s FY2021 Annual Report and Circular dated 31 December 2020 for further details on the RTO and the restructuring exercise.

OxPay Group is engaged in payment technology solution licensing, development and related hardware sales and, or rental, and, electronic payment processing as aggregator and master merchant.

Group Level

Following the completion of the RTO, the wholly owned subsidiary, OxPay, is regarded as the accounting acquirer, and the Company as the accounting acquiree, for accounting purposes. As such, the consolidated financial statements have been prepared and presented as a continuation of the OxPay Group.

Accordingly, the consolidated financial statements for the six months period ended 30 June 2021 have been presented as a continuation of the OxPay Group’s financial results and operations, in accordance with the following:

- 1) The assets and liabilities of the accounting acquirer, the OxPay Group, were recognised and measured in the consolidated statement of financial position at their pre-acquisition carrying amount;
- 2) The assets and liabilities of the accounting acquiree, the Company, were recognised and measured at their acquisition date fair value;
- 3) The retained earnings and other equity balances recognised in the consolidated financial statements of the Group were the retained earnings and other equity balances of the OxPay Group immediately before the RTO; and
- 4) The amount recognised in the issued equity interest in the consolidated financial statements of the Group was computed by adding the issued equity of OxPay immediately before the reverse acquisition to the fair value of the consideration effectively transferred based on the share price of the Company at the acquisition date. However, the equity structure presented in the consolidated financial statements of the Group (i.e. the number and type of equity instruments issued) reflected the effect of the combination.

Following the completion of the RTO, the principal business of the Group is that of the OxPay Group. The consolidated financial statements of the Group have been prepared using the reverse acquisition accounting as set out in SFRS(I) 3 Business Combination, but it does not result in the recognition of goodwill, as the Company was deemed as a cash company under Rule 1017 of the Catalist Rules and did not meet the definition of a business as set out in SFRS(I) 3. Instead, such transaction falls within the scope of SFRS(I) 2 Share-based Payments, which require the deemed shares issued by the legal subsidiary corporation (as consideration for the acquisition of the Company) to be recognised at fair value. Any difference between the consideration sum and the fair value of the Company’s identifiable net assets acquired is treated as cost of obtaining a listing by the legal subsidiary, OxPay, recognised as an expense in the consolidated statement of comprehensive income.

Company Level

Reverse acquisition accounting applies only to the consolidated financial statements at the Group level. As such, the investment in OxPay Group recorded in the Company’s financial statements was accounted for at cost less accumulated impairment losses, if any.

B. Condensed interim consolidated statement of profit or loss and other comprehensive income

		Group		
		6 months ended		
		30-Jun-22	30-Jun-21	Increase/ (Decrease)
	Note	(Unaudited)	(Unaudited)	
		S\$'000	S\$'000	%
Revenue	4	5,956	6,691	(11)
Cost of sales		(4,275)	(3,920)	9
Gross profit		1,681	2,771	(39)
Gross profit margin		28%	41%	
Other income	5	306	266	15
Finance income	9	237	23	N.M.
Administrative expenses	6	(2,815)	(5,517)	(49)
Impairment loss on trade and other receivables		(18)	(17)	6
Reversal of impairment loss on trade and other receivables		2,427	-	N.M.
Other operating expenses	7	(121)	(200)	(40)
Share of loss of associate		-	(223)	N.M.
Deemed RTO listing expenses	8	-	(26,367)	N.M.
Finance costs	9	(16)	(179)	(91)
Profit / (loss) before tax		1,681	(29,443)	N.M.
Income tax expense		-	-	-
Profit / (loss) after tax		1,681	(29,443)	N.M.
Profit / (loss) attributable to:				
Equity holders of the Company		1,662	(29,371)	N.M.
Non-controlling interests		19	(72)	N.M.
Profit / (loss) for the period		1,681	(29,443)	N.M.
Other comprehensive income / (loss)				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences relating to financial statements of foreign subsidiaries		17	82	(79)
Total comprehensive income / (loss) for the period		1,698	(29,361)	N.M.
Total comprehensive income / (loss) attributable to:				
Equity holders of the Company		1,693	(29,296)	N.M.
Non-controlling interests		5	(65)	N.M.
Total comprehensive income / (loss) for the period		1,698	(29,361)	N.M.
Earnings / (Loss) per share				
Basic (cents)	11	0.61	(12.24)	N.M.
Fully Diluted (cents)	11	0.61	(12.24)	N.M.

N.M.: Not meaningful

C. Condensed interim consolidated statement of financial position

	Notes	Group		Company	
		As at 30-Jun-22 (Unaudited) S\$'000	As at 31-Dec-21 (Audited) S\$'000	As at 30-Jun-22 (Unaudited) S\$'000	As at 31-Dec-21 (Audited) S\$'000
Assets					
Property, plant and equipment	12	163	192	-	-
Intangible assets and goodwill	13	290	324	-	-
Investment in subsidiaries		-	-	10,600	10,600
Investment in associate		-	-	-	-
Trade and other receivables		15	13	-	-
Non-current assets		468	529	10,600	10,600
Cash and cash equivalents (#)		24,824	26,449	394	494
Trade and other receivables		3,325	3,522	-	27
Current assets		28,149	29,971	394	521
Total assets		28,617	30,500	10,994	11,121
Equity					
Share capital	15	55,712	55,218	170,429	169,935
Currency translation reserve		174	143	-	-
Capital reserves		2,896	2,896	*	*
Other reserves		-	-	2,515	2,515
Accumulated losses		(50,789)	(52,370)	(162,811)	(162,557)
Equity attributable to equity holders of the Company		7,993	5,887	10,133	9,893
Non-controlling interests		(366)	(453)	-	-
Total equity		7,627	5,434	10,133	9,893
Liabilities					
Loans and borrowings	14	-	24	-	-
Non-current liabilities		-	24	-	-
Trade and other payables		20,918	24,410	861	669
Loans and borrowings	14	72	632	-	559
Current liabilities		20,990	25,042	861	1,228
Total liabilities		20,990	25,066	861	1,228
Total equity and liabilities		28,617	30,500	10,994	11,121

As at 30 June 2022, included in the cash and cash equivalents is an amount of S\$17.0 million (31 December 2021: S\$21.4 million) which has been earmarked for settlement of merchant funding.

* Amount less than S\$1,000.

D. Condensed interim consolidated statement of changes in equity of the Group and statement of changes in equity of the Company

	Attributable to owners of the Company				Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Currency translation reserve S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	
The Group						
At 1 January 2022 (Audited)	55,218	143	2,896	(52,370)	5,887	5,434
Total comprehensive income for the period						
Profit for the period	-	-	-	1,662	1,662	1,681
Other comprehensive income						
Foreign currency translation differences	-	31	-	-	31	17
Total other comprehensive income	-	31	-	-	31	17
Total comprehensive income for the period	-	31	-	1,662	1,693	1,698
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of ordinary shares for cash	512	-	-	-	512	512
Share issue expense	(18)	-	-	-	(18)	(18)
Contribution by non-controlling interest ("NCI")	-	-	-	-	21	21
Acquisition of NCI's ordinary shares of a subsidiary	-	-	-	(81)	(81)	(20)
Total transactions with owners	494	-	-	(81)	49	495
At 30 June 2022 (unaudited)	55,712	174	2,896	(50,789)	7,629	7,627

D. Condensed interim consolidated statement of changes in equity of the Group and statement of changes in equity of the Company

	Attributable to owners of the Company				Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Currency translation reserve S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	
The Group						
At 1 January 2021 (Audited)	22,069	(17)	2,896	(25,310)	(362)	(535)
Total comprehensive income / (loss) for the period						
Loss for the period	-	-	-	(29,371)	(29,371)	(29,443)
Other comprehensive income						
Foreign currency translation differences	-	75	-	-	75	82
Total other comprehensive income	-	75	-	-	75	82
Total comprehensive income / (loss) for the period	-	75	-	(29,371)	(29,296)	(29,361)
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Consideration shares issued in relation to reverse acquisition	15,997	-	-	-	15,997	15,997
Issue of ordinary shares related to settlement of bond payable	10,000	-	-	-	10,000	10,000
Issue of ordinary shares for cash	4,000	-	-	-	4,000	4,000
Share issue expense	(721)	-	-	-	(721)	(721)
Share-based payments – employees incentive scheme	234	-	-	-	234	234
Share-based payments – sponsor equity shares pursuant the RTO	1,239	-	-	-	1,239	1,239
Share-based payments – introducer fees pursuant the RTO paid using OxPay's ordinary shares	2,400	-	-	-	2,400	2,400
Total transactions with owners	33,149	-	-	-	33,149	33,149
At 30 June 2021 (unaudited)	55,218	58	2,896	(54,681)	3,491	3,253

D. Condensed interim consolidated statement of changes in equity of the Group and statement of changes in equity of the Company

	Share capital S\$'000	Share-based compensation reserve S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
<u>The Company</u>					
At 1 January 2022 (audited)	169,935	2,515	*	(162,557)	9,893
Issuance of new shares pursuant to:					
- placement shares on 4 May 2022	512	-	-	-	512
- share issue expenses for placement shares on 4 May 2022	(18)	-	-	-	(18)
Total comprehensive loss for the period	-	-	-	(254)	(254)
At 30 June 2022 (unaudited)	170,429	2,515	*	(162,811)	10,133
At 1 January 2021 (audited)	71,777	2,515	*	(85,006)	(10,714)
Issuance of new shares pursuant to:					
- placement shares on 28 January 2021	600	-	-	-	600
- the acquisition of the OxPay Group	82,806	-	-	-	82,806
- redemption of bonds and its associated interest payable	10,000	-	-	-	10,000
- share-based payment to sponsor	1,239	-	-	-	1,239
- share-based payment to employees	234	-	-	-	234
- placement shares on 12 March 2021	4,000	-	-	-	4,000
- share issue expenses for placement shares on 12 March 2021	(721)	-	-	-	(721)
Total comprehensive loss for the period	-	-	-	(1,887)	(1,887)
At 30 June 2021 (unaudited)	169,935	2,515	*	(86,893)	85,557

* Amount less than S\$1,000.

E. Condensed interim consolidated statement of cash flows

	Group	
	6 months ended	
	30-Jun-22	30-Jun-21
	(Unaudited)	(Unaudited)
	S\$'000	S\$'000
<u>Cash flows from operating activities</u>		
Profit / (loss) before tax for the period	1,681	(29,443)
Adjustments for:		
Amortisation of intangible assets	57	147
Depreciation of property, plant and equipment	57	53
Interest income	(20)	(23)
Interest expense	16	78
Impairment on trade and other receivables	18	17
Reversal of impairment on trade and other receivables	(2,427)	-
Deemed RTO listing expenses	-	26,367
Share of loss of associate	-	223
Share-based payments - Employees	-	234
Share-based payments - Sponsor equity shares	-	1,239
Share-based payments - Introducer shares	-	2,400
Gain from early redemption of convertible bond	-	(97)
	(618)	1,195
Changes in working capital:		
Trade and other receivables	189	(504)
Trade and other payables	(1,058)	5,976
Cash (used in) / generated from operations	(1,487)	6,667
Interest income	2	23
Net cash (used in) / generated from operating activities	(1,485)	6,690
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(10)	(10)
Purchase of intangible assets	(23)	-
Additional investment in associates	-	(223)
Acquisition of the Company, net of cash acquired	-	1,467
Net cash (used in) / generated from investing activities	(33)	1,234
<u>Cash flows from financing activities</u>		
Repayment of lease liabilities	(45)	(33)
Repayment of interest on lease liabilities	(2)	(2)
Repayment of loans and borrowings	(573)	-
Repayment of convertible bonds	-	(1,794)
Net proceeds from issuance of new shares	494	3,279
Capital contribution from non-controlling interest	21	-
Transaction with non-controlling interest	(20)	-
Net cash (used in) / generated from financing activities	(125)	1,450
Net (decrease) / increase in cash and cash equivalents	(1,643)	9,374
Effect of exchange rate fluctuations on cash held	18	82
Cash and cash equivalents at beginning of financial period	26,449	3,479
Cash and cash equivalents at end of financial period	24,824	12,935

F. Notes to the condensed interim consolidated financial statements

These notes form an integral part of the condensed interim consolidated financial statements.

1 Corporate information

OxPay Financial Limited (the “**Company**”) is a company incorporated in Singapore. The address of the Company’s registered office is 10 Ubi Crescent, Ubi Techpark #03-48 Singapore 408564.

This condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and OxPay Group (being OxPay SG Pte. Ltd. and its subsidiaries). Please refer to the section on “General information” on page 3 for more information.

The principal activities of the Group are to carry on payment technology solution licensing, development and related hardware sales and, or rental, and, electronic payment processing as aggregator and master merchant.

2 Basis of Preparation

The condensed interim consolidated financial statements for the six months ended 30 June 2022 (“**1H2022**”, and for the corresponding six months ended 30 June 2021, “**1H2021**”) have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore and should be read in conjunction with the financial statements of OxPay Group as disclosed in the Company’s circular to shareholders dated 31 December 2020 in relation to the RTO Transaction (“**RTO Circular**”). The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited consolidated financial statements for the financial year ended 31 December 2021 (“**FY2021**”).

The accounting policies and methods of computations adopted are consistent with those adopted by the Company in its most recently audited consolidated financial statements for FY2021, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1 of the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

The Group and the Company have adopted all the new and revised SFRS(I)s and SFRS(I) Interpretations that are relevant to its operations and effective for the annual period beginning on 1 January 2022. The adoption of these new and revised SFRS(I)s and SFRS(I) Interpretations has no material effect on the performance and financial position of the Group and of the Company for the current financial period reported on. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

F. Notes to the condensed interim consolidated financial statements

2.2 Use of judgements and estimates

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant judgements made in the preparation of these financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following note:

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group's Chief Financial Officer has overall responsibility for all significant fair value measurements, including Level 3 fair value.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

3 Seasonal operations

The Group's merchant payment services ("**MPS**") business segment is subject to seasonal fluctuations in line with those experienced by the merchants which it services. These customers of the Group in the MPS segment typically experience higher sales and transaction volumes during public holidays and festive seasons. Accordingly, more payments are processed before and during public holidays and festive seasons which translate to a higher amount of payment processing fees being collected by the Group. The Group's digital commerce enabling solutions ("**DCES**") business segment is not affected by any seasonal changes in demand.

F. Notes to the condensed interim consolidated financial statements

4 Segment and revenue information

The Group is principally engaged in the provision of merchant payment processing services and digital commerce enabling services, with focus on the retail, transportation, and food and beverage industries. The Group operates two (2) distinct business segments:

- 4.1 MPS business segment – The Group provides payment processing services through its unified platform and smart software, which can be (a) installed onto or integrated with any smart devices (including mobile phones, tablets, and smart point-of-sales (“POS”) terminals) for merchants with physical stores or (b) integrated into websites and applications of online merchants.
- 4.2 DCES business segment – The Group provides its ancillary services, such as the sale/lease of smart POS terminals, provision of proprietary and licensed software as a service, and white-labelling of its proprietary or licenced software, and development of bespoke software for its merchants.
- 4.3 Unallocated segment refers to the income, expenses, assets and liabilities that are not allocated to MPS or DCES. It primarily comprises income (if any), expenses, assets and liabilities that are associated with the Company and any other adjustments that may be made on the consolidated accounts to the Group.

These operating segments are reported in a manner consistent with internal management reporting provided to the Managing Director (“MD”) who is responsible for allocating resources and assessing performance of the operating segments.

4.1 Reportable segments

	Group			
	6 months ended 30 June 2022			
	MPS (Unaudited) S\$'000	DCES (Unaudited) S\$'000	Unallocated (Unaudited) S\$'000	Consolidated (Unaudited) S\$'000
Total segment revenue	3,376	2,580	-	5,956
Inter-segment revenue	-	-	-	-
Revenue from external parties	3,376	2,580	-	5,956
Depreciation	(45)	(12)	-	(57)
Amortisation	(56)	(1)	-	(57)
Finance income	238	10	(11)	237
Finance costs	(2)	*	(14)	(16)
Segment profit / (loss)	1,827	97	(243)	1,681
Other material non-cash items:				
Impairment loss on trade and other receivables	(18)	*	-	(18)
Reversal of impairment loss on trade and other receivables	2,396	31	-	2,427
Reportable segment assets	27,740	482	395	28,617
Reportable segment liabilities	(20,315)	(226)	(449)	(20,990)
Capital expenditure	33	19	-	52

* Amount less than \$1,000.

F. Notes to the condensed interim consolidated financial statements

4.1 Reportable segments (cont'd)

	Group			
	6 months ended 30 June 2021			
	MPS	DCES	Unallocated	Consolidated
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	S\$'000	S\$'000	S\$'000	S\$'000
Total segment revenue	3,908	2,783	-	6,691
Inter-segment revenue	-	-	-	-
Revenue from external parties	3,908	2,783	-	6,691
Depreciation	(32)	(21)	-	(53)
Amortisation	(113)	(34)	-	(147)
Finance income	22	1	-	23
Finance costs	(129)	(2)	(48)	(179)
Segment (loss) / profit	(1,314)	45	(27,951)	(29,220)
Share of loss of associate	(216)	(7)	-	(223)
Other material non-cash items:				
Impairment loss on trade and other receivables	(17)	*	-	(17)
Deemed RTO listing expenses	-	-	(26,367)	(26,367)
Reportable segment assets	20,470	227	786	21,483
Reportable segment liabilities	(17,142)	(57)	(1,031)	(18,230)
Capital expenditure	141	23	-	164

* Amount less than \$1,000.

F. Notes to the condensed interim consolidated financial statements

4.2 Disaggregation of revenue

	Group 6 months ended 30 June 2022			
	MPS (Unaudited) S\$'000	DCES (Unaudited) S\$'000	Others (Unaudited) S\$'000	Consolidated (Unaudited) S\$'000
Types of goods or services				
Transaction revenue	2,634	-	-	2,634
Sales of services	-	2,580	-	2,580
Other revenue	742	-	-	742
	3,376	2,580	-	5,956
Timing of revenue recognition where performance obligations are:				
Satisfied at a point in time	3,363	2	-	3,365
Satisfied over time	13	2,578	-	2,591
	3,376	2,580	-	5,956
Geographical information				
Singapore	2,527	67	-	2,594
Malaysia	132	2,513	-	2,645
Thailand	717	*	-	717
	3,376	2,580	-	5,956

	Group 6 months ended 30 June 2021			
	MPS (Unaudited) S\$'000	DCES (Unaudited) S\$'000	Others (Unaudited) S\$'000	Consolidated (Unaudited) S\$'000
Types of goods or services				
Transaction revenue	2,647	-	-	2,647
Sales of services	-	2,782	-	2,782
Other revenue	1,262	-	-	1,262
	3,909	2,782	-	6,691
Timing of revenue recognition where performance obligations are:				
Satisfied at a point in time	3,845	-	-	3,845
Satisfied over time	64	2,782	-	2,846
	3,909	2,782	-	6,691
Geographical information				
Singapore	3,762	172	-	3,934
Thailand	57	-	-	57
Malaysia	90	2,610	-	2,700
	3,909	2,782	-	6,691

* Amount less than \$1,000.

F. Notes to the condensed interim consolidated financial statements

	6 months ended		Increase/ (Decrease) (%)
	30-Jun-22 (Unaudited) S\$'000	30-Jun-21 (Unaudited) S\$'000	
5 Other income			
Government grants	306	110	N.M.
Gain from early redemption of bonds	-	97	N.M.
Sundry income	*	59	N.M.
	306	266	15

* Amount less than \$1,000.

	6 months ended		Increase/ (Decrease) (%)
	30-Jun-22 (Unaudited) S\$'000	30-Jun-21 (Unaudited) S\$'000	
6 Administrative expenses			
Employee compensation	1,526	1,121	36
Professional services fees	438	270	62
Occupancy costs	8	10	(20)
Directors' fees	120	75	60
RTO listing expenses	-	3,393	N.M.
SGX Listing and related expenses	11	15	(27)
Other administrative expenses	712	633	12
	2,815	5,517	(49)

	6 months ended		Increase/ (Decrease) (%)
	30-Jun-22 (Unaudited) S\$'000	30-Jun-21 (Unaudited) S\$'000	
7 Other operating expenses			
Amortisation of intangible assets	57	147	(61)
Depreciation of property, plant and equipment	57	53	8
Travelling and accommodation expenses	7	-	N.M.
	121	200	(40)

8 Deemed RTO Listing expenses

This refers to the difference between fair value of net liabilities assumed by the Group and fair value of consideration transferred. As the Company had disposed of all its businesses prior to the completion of the RTO Transaction, the reverse take-over was not considered as a business combination within the meaning of SFRS(I) 3 - Business Combination. The acquisition of the OxPay Group was considered a reverse acquisition along with share-based payment in accordance with SFRS(I) 2 – Share-based Payment.

F. Notes to the condensed interim consolidated financial statements

6 months ended			
	30-Jun-22 (Unaudited) S\$'000	30-Jun-21 (Unaudited) S\$'000	Increase/ (Decrease) (%)
9 Finance income and costs			
Interest income arising from financial assets measured at amortised cost	20	23	(13)
Foreign exchange gain, net	217	-	N.M.
Total Finance Income	237	23	N.M.
Foreign exchange loss, net	-	101	N.M.
Interest expense on loans	14	20	(30)
Interest expense on convertible bonds	-	56	N.M.
Interest expense on leases	2	2	-
Total Finance Cost	16	179	(91)

10 Net Asset Value

	Group		Company	
	As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
Net asset value per ordinary share (S\$ cents)	2.77	2.16	3.68	3.63
No. of ordinary shares	275,500,000	272,248,881	275,500,000	272,248,881

F. Notes to the condensed interim consolidated financial statements

11 Earnings / (loss) per share

	Group	
	6 months ended 30-Jun-22 (Unaudited)	30-Jun-21 (Unaudited)
Net profit / (loss) attributable to equity holders of the Company (S\$'000)	1,662	(29,371)
Weighted average number of ordinary shares outstanding for basic earnings / (loss) per share	273,434,372	240,029,789
Weighted average number of ordinary shares outstanding for diluted earnings / (loss) per share	273,434,372	240,029,789
(a) Basic earnings / (loss) per share (S\$ cents)	0.61	(12.24)
(b) Diluted earnings / (loss) per share (S\$ cents)	0.61	(12.24)

During 1H2021, the Company had undergone a 50:1 share consolidation. As such, for the purpose of calculating earnings / (loss) per share, the number of ordinary shares used in the above calculations prior to the share consolidation were adjusted at the same ratio.

11.1 Earnings / (loss) per share for 1H2021

The earnings / (loss) per share for 1H2021 has been calculated on the following basis:

$$\text{Basic earnings / (loss) per share} = A / ((B + C)) \times 100$$

where,

A = Profit / (loss) attributable to equity holders the Company

B = Weighted average number of shares of OxPay from 1 January 2021 to 17 February 2021 multiplied by the RTO Exchange Ratio

C = Weighted average number of shares of the Company from 18 February 2021 to 30 June 2021

11.2 Diluted Earnings / (loss) per share

For the purpose of calculating diluted earnings / (loss) per share, the weighted average number of ordinary shares in issue are adjusted for the dilutive effects of potential ordinary share issues for the respective period.

F. Notes to the condensed interim consolidated financial statements

12 Property, plant and equipment

Group	Computer Software and equipment	Office equipment, Furniture & Fittings and Renovation	Payment terminals	Motor vehicles	Leased office space	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cost						
Balance as at 1 January 2022	774	106	912	36	154	1,982
Additions	9	1	-	-	19	29
Disposal	-	-	-	-	(20)	(20)
Effect of movements in exchange rate	(1)	-	(1)	(1)	-	(3)
Balance as at 30 June 2022	782	107	911	35	153	1,988
Accumulated depreciation						
Balance as at 1 January 2022	715	102	875	36	62	1,790
Depreciation charge	11	1	4	-	41	57
Disposal	-	-	-	-	(20)	(20)
Effect of movements in exchange rate	(1)	-	-	(1)	-	(2)
Balance as at 30 June 2022	725	103	879	35	83	1,825
Carrying amounts						
Balance as at 1 January 2022	59	4	37	-	92	192
Balance as at 30 June 2022	57	4	32	-	70	163

Company

The Company does not have any property, plant and equipment as at 31 December 2021 and 30 June 2022.

F. Notes to the condensed interim consolidated financial statements

13 Intangible Assets

Group	Goodwill S\$'000	Patent and Trademark S\$'000	Software Development S\$'000	Total S\$'000
Cost				
Balance as at 1 January 2022	541	104	4,224	4,869
Additions	-	-	23	23
Balance as at 30 June 2022	541	104	4,247	4,892
Accumulated amortisation and impairment losses				
Balance as at 1 January 2022	541	84	3,920	4,545
Amortisation charge	-	4	53	57
Balance as at 30 June 2022	541	88	3,973	4,602
Net Book Value				
Balance as at 1 January 2022	-	20	304	324
Balance as at 30 June 2022	-	16	274	290

Impairment test

Software development

The Group has 19 internally developed software solutions as at 30 June 2022 that can be used by small businesses and merchants to facilitate payments using their own mobile devices. 18 of these software solutions were impaired in prior years.

As at the reporting date, the management of the Company had carried out a review of the recoverable amount of the intangible assets. As at 30 June 2022, there is no indication of impairment on the remaining 1 software solution.

Company

The Company does not have any intangibles assets as at 31 December 2021 and 30 June 2022.

F. Notes to the condensed interim consolidated financial statements

14 Borrowings

Group	As at 30-Jun-22 (Unaudited)		As at 31-Dec-2021 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one (1) year or less, or on demand				
Loan from a shareholder	-	-	-	559
Lease payable	-	72	-	73
Amount repayable after one (1) year				
Lease payable	-	-	-	24

Notes on Group Borrowings

Loan from a shareholder as at 31 December 2021 relate to unsecured loans amounting to an aggregate of S\$559,450, at an interest rate of 10% per annum granted by the Company's controlling shareholder, Mr Ching Chiat Kwong ("**Mr Ching**"). The loan was fully repaid during the financial period.

Lease payable as at 30 June 2022 relates to the leases for two offices for periods of one to two years which ended 31 March 2023 and 30 April 2023 respectively.

Lease payable as at 31 December 2021 relates to the leases for two offices for a period of two years which ended 31 March 2022 and 30 April 2023 respectively.

Details of any collateral and contingent liability

As at 30 June 2022 and 31 December 2021, the Group's fixed deposit of US\$2,000,000 was pledged to a bank for an overdraft facility and a standby letter of credit facility. An amount of S\$660,000 under the standby letter of credit was utilised for security deposit required by a payment acquirer.

F. Notes to the condensed interim consolidated financial statements

15 Share Capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets. The following tables set out the share capital movements during the financial period and comparative period.

	Note	Company 2022	
		No. of shares	S\$'000
Issued and fully paid ordinary shares, with no par value:			
At 1 January 2022		272,248,881	169,935
Issue of ordinary shares for cash	15.1	3,251,119	494
At 30 June 2022		275,500,000	170,429

	Note	Company 2021	
		No. of shares	\$'000
Issued and fully paid ordinary shares, with no par value:			
At 1 January 2021		1,797,792,986	71,777
Placement shares issued on 28 January 2021	15.2	62,305,295	600
Balance before share consolidation		1,860,098,281	72,377
Number of consolidated shares after 50: 1 share consolidation on 16 February 2021		37,201,936	72,377
Shares issued on 18 February 2021 pursuant to the RTO Transaction:			
Shares issued to acquire the entire share capital of OxPay	15.3	157,725,296	82,806
Shares issued to redeem the convertible bonds and its associated interest payable	15.4	64,516,129	10,000
Shares issued to pay to the Sponsor as part payment for its services in relation to the RTO Transaction	15.5	2,360,000	1,239
Shares issued to employees of the OxPay as incentive payment	15.6	445,520	234
Placement shares issued on 12 March 2021	15.7	10,000,000	3,279
Subtotal		235,046,945	97,558
At 30 June 2021 and 31 December 2021		272,248,881	169,935

F. Notes to the condensed interim consolidated financial statements

	Note	Group S\$'000
Issued and fully paid ordinary shares, with no par value:		
At 1 January 2022		55,218
Issue of ordinary shares for cash	15.1	512
Share issue expense	15.1	(18)
Subtotal		494
At 30 June 2022		55,712

	Note	Group S\$'000
Issued and fully paid ordinary shares, with no par value:		
At 1 January 2021		22,069
Consideration shares issued in relation to reverse acquisition		15,997
Issue of ordinary shares related to settlement of bond payable		10,000
Share-based payments – Sponsor equity shares pursuant the RTO Transaction	15.5	1,239
Share-based payments – employees incentive scheme	15.6	234
Issue of ordinary shares for cash	15.7	4,000
Share issue expense	15.7	(721)
Share-based payments – introducer fees pursuant the RTO paid by using OxPay's ordinary shares	15.8	2,400
Subtotal		33,149
At 30 June 2021 and 31 December 2021		55,218

15.1 Placement shares issued on 4 May 2022

On 4 May 2022, the Company completed the placement of 3,251,119 of new ordinary shares at the issue price of S\$0.1575 per new share to a subscriber, raising gross proceeds of S\$512,051. Net proceeds received after deducting direct expenses relating the placement was S\$493,861.

15.2 Placement shares issued on 28 January 2021

The Company obtained its shareholders' approval at the extraordinary general meeting held on 22 January 2021. On 28 January 2021, the Company completed the placement of 62,305,295 new ordinary shares (before share consolidation of 50 shares to 1 share) of the Company at the issue price of S\$0.00963 per new share to the Company's controlling shareholder, Mr Ching, raising gross proceeds of S\$600,000.

Shares issued on 18 February 2021 pursuant to the RTO Transaction

On 18 February 2021, the Company completed the RTO Transaction ("**Completion**"). Pursuant the Completion, the Company has:

- 15.3 acquired all the ordinary shares in the issued and paid-up capital of the OxPay and became the holding company of OxPay, and in full satisfaction of total consideration of S\$82,805,780, the Company allotted and issued 157,725,296 ordinary shares to the shareholders of OxPay at an issue price of S\$0.525.

F. Notes to the condensed interim consolidated financial statements

- 15.4 in full satisfaction of the redemption of the outstanding Bonds of S\$6,875,000 and its associated interest payable of S\$3,291,952 as at 18 February 2021, the Company allotted and issued 64,516,129 ordinary shares to Mr Ching at an issue price of S\$0.155.
- 15.5 allotted and issued 2,360,000 ordinary shares at an issue price of S\$0.525 to the Company's sponsor, being part of the sponsor's fees for its services in relation to the RTO Transaction.
- 15.6 allotted and issued 445,520 ordinary shares at an issue price of S\$0.525 to certain employees of OxPay as an incentive payment to recognise their contributions to OxPay in relation to the RTO Transaction.
- 15.7 Placement shares issued on 12 March 2021**
On 12 March 2021, the Company completed the placement of 10,000,000 of new ordinary shares at the issue price of S\$0.40 per new share to new investors, raising gross proceeds of \$4,000,000. Net proceeds received after deducting direct expenses relating the placement was S\$3,279,000.
- 15.8 OxPay paid for the introducer fees of S\$2.4 million by issuing 61,491 ordinary shares of OxPay at the issue price of S\$39.03. These shares were exchanged to the shares in the Company as part of the consideration mentioned in paragraph 15.3 mentioned above.

16 Subsequent Events

There are no known subsequent events that which have led to adjustments to this set of condensed interim consolidated financial statements.

G. Other Supplementary Information Pursuant to Appendix 7C of the Catalyst Rules

1 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 30 June 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, statement of changes in equity of the Company and condensed consolidated statement of cash flows for the six months ended 30 June 2022 and explanatory notes have not been audited or reviewed by the Company's auditors.

2 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

3 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Company's latest audited financial statements for the financial year ended 31 December 2021 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the Company's auditors.

4 Additional disclosures on securities issued by the issuer

4.1 Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Please refer to Note 15 in Section F - Notes to the condensed interim consolidated financial statements of this report for the details of the changes in share capital of the Company for 1H2022.

Save as disclosed above, the Company did not have any treasury shares, subsidiary holdings or other convertibles as at 30 June 2022 and 30 June 2021.

G. Other Supplementary Information Pursuant to Appendix 7C of the Catalist Rules

- 4.2 To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30 June 2022	As at 31 December 2021
Number of issued shares excluding treasury shares	275,500,000	272,248,881

The Company did not have any treasury shares as at 30 June 2022 and 31 December 2021.

- 4.3 A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company does not have any treasury shares during and as at the end of the current financial period reported on.

- 4.4 A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company does not have any subsidiary holdings during and as at the end of the current financial period reported on.

5 Review of performance of the Group

- a. **Condensed interim consolidated statement of profit or loss and other comprehensive income of the Group**

Profit before tax ("PBT") in 1H2022 improved, as compared to 1H2021.

The following are the key factors for the improvement in the Group's 1H2022 results:

- Revenue decreased by 11% or S\$0.7 million for 1H2022, from S\$6.7 million in 1H2021 to S\$6.0 million in 1H2022. The decrease in revenue was mainly due to the decrease in sales for both MPS and DCES business segments for Singapore.
- Gross profit margin decreased from 41% in 1H2021 to 28% in 1H2022. Overall gross profit decreased by 39% or S\$1.1 million. This was mainly due to the decrease in revenue, while the costs of sales increased by 9%.
- Other income increased by 15% or S\$0.1 million in 1H2022. The increase was mainly due to the increase in government grants.
- Administrative expenses decreased by S\$2.7 million, from S\$5.5 million in 1H2021 to S\$2.8 million in 1H2022. The decrease in administrative expenses was mainly due to the absence of the one-time RTO listing expenses of S\$3.4 million in 1H2021, partially offset by increase in employee compensation, professional services fees and other administrative expenses of S\$0.4 million, S\$0.2 million and S\$0.1 million respectively.
- Impairment loss on trade and other receivables were comparable for 1H2022 and 1H2021. The reversal of impairment loss on trade and other receivables of S\$2.4 million in 1H2022 was mainly due to a reversal of impairment loss of S\$2.3 million as an agreement was reached with a creditor to assign its debt against a related debtor, of which the outstanding amount has been fully impaired in FY2021.
- Other operating expenses decreased from S\$0.2 million in 1H2021 to S\$0.1 million in 1H2022, mainly due to the decrease in amortisation of intangible assets of S\$0.1 million in 1H2022.

G. Other Supplementary Information Pursuant to Appendix 7C of the Catalist Rules

- g. Share of loss of associate amounted to S\$0.2 million in 1H2021, which arose from losses incurred by PT MCP Indo Utama in 1H2021. There was no such share of loss of associate incurred in 1H2022.
- h. Deemed RTO listing expense in 1H2021 refers to the difference between fair value of net liabilities assumed by the Group and fair value of consideration transferred. The fair value of the consideration transferred is the deemed consideration paid by OxPay for the acquisition of the Company. This is required and stipulated by SFRS(I).
- i. Finance costs decreased from S\$0.2 million in 1H2021 to approximately S\$16,000 in 1H2022, mainly due to the decrease in interest expense on convertible bonds as it was fully repaid during FY2021.

b. Condensed interim consolidated statement of financial position

As at 30 June 2022, the Group's net asset value stood at S\$7.6 million, an increase of S\$2.2 million as compared to 31 December 2021. This increase was mainly due to the net proceeds of S\$0.5 million from the placement of 3,251,119 new ordinary shares at S\$0.1575 per share on 4 May 2022, and the profit generated in 1H2022.

The Group reported a working capital position of S\$7.2 million as at 30 June 2022, as compared to a working capital position of S\$4.9 million as at 31 December 2021.

Non-current assets

There was no major movement in the Group's non-current assets as at 30 June 2022 as compared to 31 December 2021. The decrease was mainly due to the amortisation of intangible assets and depreciation of plant and equipment charged in 1H2022, partially offset by purchase of intangible assets and equipment.

Current Assets

Current assets comprised cash and cash equivalents, and trade and other receivables. Current assets decreased by S\$1.8 million from S\$30.0 million as at 31 December 2021 to S\$28.2 million as at 30 June 2022, mainly due to the decrease in cash and cash equivalents of S\$1.6 million and decrease in trade and other receivables of S\$0.2 million. The decrease in cash and cash equivalents was mainly attributable to the cash used in operating activities.

Please refer to the section on "Consolidated Statement of Cash Flows" below for reasons in the movement of cash and cash equivalents.

Current liabilities

Current liabilities comprised trade and other payables and loans and borrowings. Current liabilities decreased by S\$4.0 million, from S\$25.0 million as at 31 December 2021 to S\$21.0 million as at 30 June 2022.

Trade and other payables decreased by S\$3.5 million, from S\$24.4 million as at 31 December 2021 to S\$20.9 million as at 30 June 2022. This was due mainly to the settlement of merchant payables.

Loans and borrowings decreased to S\$0.1 million, mainly due to the loan from a controlling shareholder which has been fully repaid in 1H2022.

c. Condensed interim consolidated statement of cash flows

The Group's cash and cash equivalents decreased by S\$1.6 million, from S\$26.4 million as at 31 December 2021 to S\$24.8 million as at 30 June 2022. The decrease in cash and cash equivalents in 1H2022 was mainly due to:

G. Other Supplementary Information Pursuant to Appendix 7C of the Catalist Rules

- i. Cash used in operating activities of S\$1.5 million;
- ii. Cash used in investing activities of approximately S\$33,000, mainly due to the purchase of intangible assets and equipment; and
- iii. Cash used in financing activities of S\$0.1 million, mainly due to the repayment of loan from a controlling shareholder of S\$0.6 million, partially offset by the net proceeds from issuance of new shares of S\$0.5 million.

6 Where a forecast, or a prospect statement has been previously disclosed to shareholders, any variance between it and the actual results.

There is no forecast or prospect statement which has been previously disclosed to shareholders.

7 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 6 months.

With the COVID-19 situation stabilising in Singapore, the Multi-Ministry Taskforce has announced a further easing of social distancing measures in April 2022¹. Given the high vaccination and booster rates in Singapore, the Group is cautiously optimistic about the recovery of the Singapore's retail sector. According to the Department of Statistics Singapore, total retail sales increased 14.8% year-on-year in June 2022, extending the 17.8% rise in May 2022².

The COVID-19 pandemic has accelerated the digitalisation of payments, with two-thirds of adults worldwide now making or receiving a digital payment³.

The Group is of the view that the following key trends will likely provide future growth opportunities:

- (a) Global non-cash transactions are poised to grow by 18.6% CAGR between 2020 and 2025 to reach 1.8 trillion in volume at the end of the forecast period⁴. This is driven by the burgeoning e-commerce segment, mobile payments, and rising adoption of digital wallets. Asia Pacific is on track to represent more than half of the global non-cash transactions by 2025, leading the rest of the region with a 28% CAGR from 2020 to 2025.
- (b) Growth in ASEAN gross transaction value of digital payments is expected to reach US\$1.17 trillion by 2025, from US\$0.71 trillion in 2021. The key driver of the trend is changing customer expectations, where customers are increasingly expecting convenience, timeliness, and, control of payment options on an integrated platform⁵.

¹ <https://www.gov.sg/article/further-easing-of-community-measures>

² <https://www.singstat.gov.sg/-/media/files/news/mrsjun2022.ashx>

³ <https://www.worldbank.org/en/news/press-release/2022/06/29/covid-19-drives-global-surge-in-use-of-digital-payments>

⁴ <https://www.paymentscardsandmobile.com/world-payment-report-non-cash-transaction-growth-hit-hard-by-covid/>

⁵ <https://www.businesstimes.com.sg/global-enterprise/features/embrace-digital-payments-now-to-profit-from-tomorrow-s-seamless-ecosystem>

G. Other Supplementary Information Pursuant to Appendix 7C of the Catalist Rules

- (c) Digital cross-border remittances are projected to grow from US\$295 billion in 2021 to US\$428 billion in 2025⁶, with digital, transactions returning to pre-pandemic values by 2022. The uplift in digital remittance use driven by the pandemic will be sustained through permanent changes to user behaviour. Additionally, the active user base for digital remittances is expected to increase by 66%, reaching 95 million users by 2025.

In February 2022, OxPay has partnered with TranSwap, a cross-border payment platform, to expand its businesses into the United Kingdom, and add neobanking facilities to its platform which will enable merchants to receive international payments and gain easier access to the global market at cost-effective rates.

Currently, the Group is focused on optimising its customer touchpoints across Singapore. By enlisting the help of a point of sales system provider, OxPay seeks to accelerate the rate at which some of its clients' payment gateway providers convert to OxPay. Meanwhile, the Group has continued to attract several high-profile clients. In the next couple of weeks, the Group expects to have successfully launched its digital payment processing service across all 99 Q&M Dental's clinics in Singapore as well as in a handful of bubble tea retail outlets.

The Group is well-positioned to leverage and benefit from the growth of digitalisation in Southeast Asia given its geographical exposure and the rise in digital consumption. In the meantime, the Group will continue to focus on enhancing its service offerings and increase its customer base through partnerships or acquisitions.

8 Dividends

Not applicable.

9 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for 1H2022 as the Company is in an accumulated losses position.

10 If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general mandate from shareholders for interested person transactions.

Finance costs amounting to S\$14,000 and S\$20,000 for 1H2022 and 1H2021, respectively, were payable to Mr Ching Chiat Kwong (Non-Executive Non-Independent Chairman and controlling shareholder of the Company), in respect of a loan granted to the Company. The loan was fully repaid during the financial period.

⁶ <https://www.juniperresearch.com/press/digital-cross-border-remittances-reach-428-bn>

G. Other Supplementary Information Pursuant to Appendix 7C of the Catalist Rules

11 Disclosure of acquisition (including incorporations) and sale of shares since the end of the previous reporting period pursuant to Rule 706A of the Catalist Rules

Incorporation of subsidiary

On 13 January 2022, a wholly owned subsidiary - OxPay Investment Pte. Ltd. was incorporated by the Company. Please refer to the Company's announcement dated 13 January 2022, for more information on the incorporation of subsidiary.

Increase of share capital of subsidiaries

- a. On 28 February 2022, the Company's wholly-owned subsidiary, OxPay Global Venture Pte. Ltd. (formerly known as MC Global Venture Pte. Ltd.), subscribed for the following:
 - (i) 88,200 new shares in OxPay (Thailand) Co., Ltd. (formerly known as MC Payment (Thailand) Co., Ltd.) (an approximate 74%-owned subsidiary of the Company) at par value of THB 100 each, for an aggregate cash consideration of THB 8,820,000 (equivalent to approximately S\$362,2181); and
 - (ii) 4,900 new shares in OxPay Holdings (Thailand) Co., Ltd. (formerly known as MCP Holdings (Thailand) Co., Ltd.) (an approximate 49%-owned associated company of the Company) at a premium above the par value (of THB 100 each) of THB 1,769.39 each, for an aggregate cash consideration of THB8,670,000 (equivalent to approximately S\$356,0571).

Please refer to the Company's announcement dated 28 February 2022, for more information on the subscription of new shares in the Company's subsidiaries.

- b. On 22 June 2022, the Company's wholly-owned subsidiary, OxPay SG Pte. Ltd. ("**OxPay SG**") (formerly known as MC Pay Pte. Ltd.) increased its shareholding in its subsidiary, Genesis Payment Solutions Private Limited ("**Genesis**"), from 90% to 100% pursuant to the transfer to OxPay SG by Jong Kim Poh (an unrelated party) of 20,000 ordinary shares, constituting 10% of the issued share capital, of Genesis for a total consideration of S\$20,000.

Please refer to the Company's announcement dated 22 June 2022, for more information on the increase of shareholding in subsidiary.

Issuance of shares

Please refer to Note 15 in Section F - Notes to the condensed interim consolidated financial statements of this report for the details of the changes in share capital of the Company for 1H2022.

Save for the above, the Group does not have any acquisitions (including incorporations) and realisations of shares since the end of the previous reporting period, up to 30 June 2022.

G. Other Supplementary Information Pursuant to Appendix 7C of the Catalist Rules

12 Use of Proceeds from the May Placement

On 4 May 2022, the Company completed a placement of an aggregate of 3,251,119 new ordinary shares (on a post-consolidation basis) at an issue price of S\$0.1575 per share (the “**May Placement**”), raising net proceeds of approximately S\$494,000 (the “**May Placement Net Proceeds**”). Please refer to the Company’s announcements dated 12 April 2022, 29 April 2022 and 4 May 2022 for more information on the May Placement.

The following is a summary of the May Placement Net Proceeds and the utilisation thereof:

Use of May Placement Net Proceeds	Allocation of the May Placement Net Proceeds (\$'000)	Amount utilised as at the date of this announcement (\$'000)	Balance of May Placement Net Proceeds as at the date of this announcement (\$'000)
General working capital – general administrative expenses, such as employees’ remuneration and other statutory contributions	494	(494)	-

The use of the May Placement Net Proceeds is in accordance with the intended use as stated in the Company’s announcement dated 12 April 2022. As at the date of this announcement, all the May Placement Net Proceeds had been fully utilised.

13 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from its Directors and Executive Officers in the format set out in Appendix 7H of the Catalist Rules.

14 Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules.

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months financial period ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ching Chiat Kwong
Non-executive Non-Independent
Chairman

Tan Chee Keong
Managing Director

**BY ORDER OF THE BOARD
OXPAY FINANCIAL LIMITED**

Tan Chee Keong
Managing Director
Singapore

10 August 2022