



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 2024
(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. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group		Increase/ (Decrease) %
		6 months ended		
		30-Jun-24 (Unaudited) S\$'000	30-Jun-23 (Unaudited) S\$'000	
Revenue	4	1,806	6,812	(73)
Cost of sales		(532)	(5,444)	(90)
Gross profit		1,274	1,368	(7)
<i>Gross profit margin</i>		70%	20%	
Other income	5	11	45	(76)
Finance income	8	17	454	(96)
Administrative expenses	6	(2,433)	(2,502)	(3)
Other operating expenses	7	(100)	(110)	(9)
Finance costs	8	(23)	(23)	-
Loss before taxation		(1,254)	(768)	63
Tax expense		*	-	-
Loss for the period		(1,254)	(768)	63
Loss attributable to:				
Owners of the Company		(1,226)	(758)	62
Non-controlling interests		(28)	(10)	N.M.
Loss for the period		(1,254)	(768)	63
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences relating to financial statements of foreign subsidiaries		37	95	(61)
Total comprehensive loss for the period		(1,217)	(673)	81
Total comprehensive loss attributable to:				
Owners of the Company		(1,175)	(662)	77
Non-controlling interests		(42)	(11)	N.M.
Total comprehensive loss for the period		(1,217)	(673)	81
Loss per share				
Basic (cents)	10	(0.44)	(0.27)	63
Fully diluted (cents)	10	(0.44)	(0.27)	63

N.M.: Not meaningful

* Amount less than S\$1,000.

B. Condensed interim consolidated statement of financial position

	Notes	Group		Company	
		As at 30-Jun-24 (Unaudited) S\$'000	As at 31-Dec-23 (Audited) S\$'000	As at 30-Jun-24 (Unaudited) S\$'000	As at 31-Dec-23 (Audited) S\$'000
Assets					
Property, plant and equipment	11,15	361	107	-	-
Intangible assets and goodwill	12	227	257	-	-
Investment in subsidiaries		-	-	3,175	3,175
Financial assets at fair value through other comprehensive income	13	493	493	-	-
Trade and other receivables		33	28	-	-
Non-current assets		1,114	885	3,175	3,175
Trade and other receivables		721	6,454	42	102
Inventories		8	9	-	-
Cash and cash equivalents (#)		6,473	9,396	33	30
Current assets		7,202	15,859	75	132
Total assets		8,316	16,744	3,250	3,307
Equity					
Share capital	16	55,757	55,757	170,474	170,474
Currency translation reserve		220	169	-	-
Fair value reserve		(27)	(27)	-	-
Shared-based compensation reserve		-	-	2,515	2,515
Accumulated losses		(52,600)	(51,374)	(171,695)	(171,226)
Equity attributable to owners of the Company		3,350	4,525	1,294	1,763
Non-controlling interests		(439)	(397)	-	-
Total equity		2,911	4,128	1,294	1,763
Liabilities					
Borrowing	14	540	637	-	-
Lease liability	15	130	-	-	-
Non-current liabilities		670	637	-	-
Trade and other payables		4,491	11,791	1,956	1,544
Borrowing	14	191	186	-	-
Lease liability	15	53	-	-	-
Current tax payable		-	2	-	-
Current liabilities		4,735	11,979	1,956	1,544
Total liabilities		5,405	12,616	1,956	1,544
Total equity and liabilities		8,316	16,744	3,250	3,307

As at 30 June 2024, included in the cash and cash equivalents is an amount of S\$2.8 million (31 December 2023: S\$8.4 million) which has been earmarked for settlement of merchant funding.

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

	Share capital S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Accumulated losses S\$'000	Equity attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
The Group							
At 1 January 2024 (audited)	55,757	169	(27)	(51,374)	4,525	(397)	4,128
Total comprehensive income / (loss) for the period							
Loss for the period	-	-	-	(1,226)	(1,226)	(28)	(1,254)
Other comprehensive income / (loss)							
Foreign currency translation differences	-	51	-	-	51	(14)	37
Total other comprehensive income / (loss)	-	51	-	-	51	(14)	37
Total comprehensive income / (loss) for the period	-	51	-	(1,226)	(1,175)	(42)	(1,217)
At 30 June 2024 (unaudited)	55,757	220	(27)	(52,600)	3,350	(439)	2,911

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

	Share capital S\$'000	Currency translation reserve S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
The Group							
At 1 January 2023 (audited)	55,757	101	2,896	(52,924)	5,830	(342)	5,488
Total comprehensive income / (loss) for the period							
Loss for the period	-	-	-	(758)	(758)	(10)	(768)
Other comprehensive income / (loss)							
Foreign currency translation differences	-	96	-	-	96	(1)	95
Total other comprehensive income / (loss)	-	96	-	-	96	(1)	95
Total comprehensive income / (loss) for the period	-	96	-	(758)	(662)	(11)	(673)
At 30 June 2023 (unaudited)	55,757	197	2,896	(53,682)	5,168	(353)	4,815

C. 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 2024 (audited)	170,474	2,515	*	(171,225)	1,764
Total comprehensive loss for the period	-	-	-	(470)	(470)
At 30 June 2024 (unaudited)	170,474	2,515	*	(171,695)	1,294
At 1 January 2023 (audited)	170,474	2,515	*	(168,607)	4,382
Total comprehensive loss for the period	-	-	-	(357)	(357)
At 30 June 2023 (unaudited)	170,474	2,515	*	(168,964)	4,025

* Amount less than S\$1,000.

D. Condensed interim consolidated statement of cash flows

	Group	
	6 months ended	
	30-Jun-24 (Unaudited) S\$'000	30-Jun-23 (Unaudited) S\$'000
<u>Cash flows from operating activities</u>		
Loss before taxation for the period	(1,254)	(768)
Adjustments for:		
Amortisation of intangible assets	50	54
Depreciation of property, plant and equipment	37	47
Interest income	(32)	(417)
Interest expense	23	23
Loss on disposal of property, plant and equipment	*	4
Unrealised foreign exchange gain	(31)	(57)
	<u>(1,207)</u>	<u>(1,114)</u>
Changes in working capital:		
Inventory	*	-
Trade and other receivables	5,766	384
Trade and other payables	(7,322)	15,865
	<u>(2,763)</u>	<u>15,135</u>
Cash (used in) / generated from operations	(2,763)	15,135
Interest income received	28	395
Interest paid	(20)	(20)
Income tax paid	(4)	(7)
Net cash (used in) / generated from operating activities	<u>(2,759)</u>	<u>15,503</u>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(83)	(5)
Purchase of intangible assets	(20)	-
Payment of initial direct costs capitalised as right-of-use asset	(6)	-
Proceeds from disposal of property, plant and equipment	-	3
Net cash used in investing activities	<u>(109)</u>	<u>(2)</u>
<u>Cash flows from financing activities</u>		
Proceeds from borrowing	-	1,000
Payment of lease liabilities	-	(28)
Payment of lease interest	*	*
Repayment of borrowing	(92)	(75)
Net cash (used in) / generated from financing activities	<u>(92)</u>	<u>897</u>
Net changes in cash and cash equivalents	(2,960)	16,398
Effect of exchange rate fluctuations on cash held	37	97
Cash and cash equivalents at beginning of financial period	9,396	22,105
Cash and cash equivalents at end of financial period	<u>6,473</u>	<u>38,600</u>

* Amount less than S\$1,000.

E. 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 138 Cecil Street, #08-01 Cecil Court, Singapore 069538.

This condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 comprise those of the Company and its subsidiaries (the “**Group**”).

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 2024 (“**1H2024**”, and for the corresponding six months ended 30 June 2023, “**1H2023**”) have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. 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 2023 (“**FY2023**”).

The accounting policies and methods of computations adopted are consistent with those adopted by the Company in the most recently audited consolidated financial statements of the Group for FY2023, 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.

Going concern basis

The Group incurred a net loss after tax for the period of S\$1,254,000 and reported net operating cash outflows of S\$2,759,000 for the financial period ended 30 June 2024. These conditions may indicate the existence of a material uncertainty that may cast significant doubt about the Group’s and the Company’s ability to continue as a going concern.

Notwithstanding the above, the Directors consider that it is appropriate for the financial statements of the Group to be prepared on a going concern basis, as the Directors has assessed that the Group has sufficient cash flow at least for the next twelve months from the date of this report to enable the Company to continue its operations and meet its financial obligations as and when they fall due, having considered the following:

- the liquidity of its existing assets of the Group;
- financial support from the controlling shareholder of the Company for a period of at least 12 months from the date of approval of the audited financial statements for FY2023; and
- the entry by the Company into a convertible loan agreement of a principal amount of up to S\$2,000,000 from the controlling shareholder on and subject to the terms and conditions of the convertible loan agreement. Please refer to the Company’s announcement dated 23 June 2024 for more information.

E. Notes to the condensed interim consolidated financial statements

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 2024. 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.

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.

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.

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 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 or 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 Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

E. Notes to the condensed interim consolidated financial statements

4.1 Reportable segments

	Group			
	6 months ended 30 June 2024			
	MPS (Unaudited) S\$'000	DCES (Unaudited) S\$'000	Unallocated (Unaudited) S\$'000	Consolidated (Unaudited) S\$'000
Total segment revenue	1,570	236	-	1,806
Inter-segment revenue	-	-	-	-
Revenue from external parties	1,570	236	-	1,806
Depreciation	(34)	(3)	-	(37)
Amortisation	(50)	*	-	(50)
Finance income	87	2	(72)	17
Finance costs	(18)	*	(5)	(23)
Segment (loss) / profit	(764)	9	(499)	(1,254)
Other material non-cash items:				
Reportable segment assets	7,890	426	-	8,316
Reportable segment liabilities	(5,355)	(50)	-	(5,405)
Capital expenditure	98	5	-	103

* Amount less than S\$1,000.

E. Notes to the condensed interim consolidated financial statements

4.1 Reportable segments (cont'd)

	Group			
	6 months ended 30 June 2023			
	MPS (Unaudited) S\$'000	DCES (Unaudited) S\$'000	Unallocated (Unaudited) S\$'000	Consolidated (Unaudited) S\$'000
Total segment revenue	6,364	448	-	6,812
Inter-segment revenue	-	-	-	-
Revenue from external parties	6,364	448	-	6,812
Depreciation	(39)	(8)	-	(47)
Amortisation	(54)	*	-	(54)
Finance income	572	6	(124)	454
Finance costs	(25)	*	2	(23)
Segment (loss) / profit	(354)	15	(429)	(768)
Other material non-cash items:				
Reportable segment assets	41,796	400	-	42,196
Reportable segment liabilities	(37,297)	(84)	-	(37,381)
Capital expenditure	4	*	-	5

* Amount less than S\$1,000.

E. Notes to the condensed interim consolidated financial statements

4.2 Disaggregation of revenue

	Group 6 months ended 30 June 2024			
	MPS (Unaudited) S\$'000	DCES (Unaudited) S\$'000	Others (Unaudited) S\$'000	Consolidated (Unaudited) S\$'000
Types of goods or services				
Transaction revenue	1,523	-	-	1,523
Sales of services	-	236	-	236
Other revenue	47	-	-	47
	1,570	236	-	1,806
Timing of revenue recognition where performance obligations are:				
Satisfied at a point in time	1,557	2	-	1,559
Satisfied over time	13	234	-	247
	1,570	236	-	1,806
Geographical information				
Singapore	1,242	2	-	1,244
Malaysia	325	234	-	559
Thailand	3	-	-	3
	1,570	236	-	1,806

	Group 6 months ended 30 June 2023			
	MPS (Unaudited) S\$'000	DCES (Unaudited) S\$'000	Others (Unaudited) S\$'000	Consolidated (Unaudited) S\$'000
Types of goods or services				
Transaction revenue	6,023	-	-	6,023
Sales of services	-	448	-	448
Other revenue	341	-	-	341
	6,364	448	-	6,812
Timing of revenue recognition where performance obligations are:				
Satisfied at a point in time	6,351	2	-	6,353
Satisfied over time	13	446	-	459
	6,364	448	-	6,812
Geographical information				
Singapore	5,902	8	-	5,910
Malaysia	137	440	-	577
Thailand	325	-	-	325
	6,364	448	-	6,812

E. Notes to the condensed interim consolidated financial statements

	Group		Increase/ (Decrease) (%)
	6 months ended		
	30-Jun-24 (Unaudited) S\$'000	30-Jun-23 (Unaudited) S\$'000	
5 Other income			
Government grants	11	40	(73)
Sundry income	-	5	N.M.
	11	45	(76)

	Group		Increase/ (Decrease) (%)
	6 months ended		
	30-Jun-24 (Unaudited) S\$'000	30-Jun-23 (Unaudited) S\$'000	
6 Administrative expenses			
Employee compensation	1,098	1,400	(22)
Professional services fees	269	281	(4)
Occupancy costs	51	26	96
Directors' fees	120	120	-
SGX Listing and related expenses	16	16	-
Other administrative expenses	879	659	33
	2,433	2,502	(3)

	Group		Increase/ (Decrease) (%)
	6 months ended		
	30-Jun-24 (Unaudited) S\$'000	30-Jun-23 (Unaudited) S\$'000	
7 Other operating expenses			
Amortisation of intangible assets	50	54	(7)
Depreciation of property, plant and equipment	37	47	(21)
Loss on disposal of property, plant and equipment	*	4	N.M.
Travelling and accommodation expenses	13	5	N.M.
	100	110	(9)

N.M.: Not meaningful

* Amount less than S\$1,000.

E. Notes to the condensed interim consolidated financial statements

	Group 6 months ended		Increase/ (Decrease) (%)
	30-Jun-24 (Unaudited) S\$'000	30-Jun-23 (Unaudited) S\$'000	
8 Finance income and costs			
Interest income arising from financial assets measured at amortised cost	32	417	(92)
Foreign exchange (loss) / gain, net	(15)	37	N.M.
Total Finance Income	17	454	(96)
Interest expense on loan	20	23	(13)
Interest expense on lease	3	*	N.M.
Total Finance Cost	23	23	-

N.M.: Not meaningful

* Amount less than S\$1,000.

9 Net Asset Value

	Group		Company	
	As at 30 June 2024	As at 31 December 2023	As at 30 June 2024	As at 31 December 2023
Net asset value per ordinary share (S\$ cents)	1.21	1.64	0.47	0.64
No. of ordinary shares	275,843,137	275,843,137	275,843,137	275,843,137

Net asset value is based on the equity attributable to owners of the Company as at 30 June 2024 and as at 31 December 2023 respectively.

10 Loss per share

	Group	
	30-Jun-24 (Unaudited)	30-Jun-23 (Unaudited)
Net loss attributable to equity holders of the Company (S\$'000)	(1,226)	(758)
Weighted average number of ordinary shares outstanding for basic loss per share	275,843,137	275,843,137
Weighted average number of ordinary shares outstanding for diluted loss per share	275,843,137	275,843,137
(a) Basic loss per share (S\$ cents)	(0.44)	(0.27)
(b) Diluted loss per share (S\$ cents)	(0.44)	(0.27)

Diluted loss per share

For the purpose of calculating diluted 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 financial periods.

There are no potential dilutive ordinary share issues during the respective financial periods.

E. Notes to the condensed interim consolidated financial statements

11 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 2024	113	10	107	32	-	262
Additions	8	58	17	-	209	292
Disposal	(11)	(4)	-	-	-	(15)
Effect of movements in exchange rate	(1)	*	*	*	-	(1)
Balance as at 30 June 2024	109	64	124	32	209	538
Accumulated depreciation						
Balance as at 1 January 2024	90	7	26	32	-	155
Depreciation charge	8	2	11	-	16	37
Disposal	(11)	(4)	-	-	-	(15)
Effect of movements in exchange rate	*	*	*	*	*	-
Balance as at 30 June 2024	87	5	37	32	16	177
Carrying amounts						
Balance as at 1 January 2024	23	3	81	-	-	107
Balance as at 30 June 2024	22	59	87	-	193	361

Company

The Company does not have any property, plant and equipment as at 30 June 2024 and 31 December 2023.

* Amount less than S\$1,000.

E. Notes to the condensed interim consolidated financial statements

12 Intangible Assets

Group	Goodwill S\$'000	Patent and Trademark S\$'000	Software Development S\$'000	Software Under Development S\$'000	Total S\$'000
Cost					
Balance as at 1 January 2024	541	-	1,074	156	1,771
Additions	-	-	-	20	20
Balance as at 30 June 2024	541	-	1,074	176	1,791
Accumulated amortisation and impairment losses					
Balance as at 1 January 2024	541	-	973	-	1,514
Amortisation charge	-	-	50	-	50
Balance as at 30 June 2024	541	-	1,023	-	1,564
Net Book Value					
Balance as at 1 January 2024	-	-	101	156	257
Balance as at 30 June 2024	-	-	51	176	227

Impairment test

Software development

The Group has 6 software development and 1 software under development as at 30 June 2024 (31 December 2023: 6 software development and 1 software under development) that can be used by small business and merchants to facilitate payments using their own mobile devices. 5 of these software development were impaired in prior years and no software development was impaired in 1H2024.

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 2024, there is no indication of impairment on the remaining 1 software development (31 December 2023: Nil).

Company

The Company does not have any intangibles assets as at 30 June 2024 and 31 December 2023.

13 Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise the following:

	The Group	
	30-Jun-24 (Unaudited) S\$'000	31-Dec-23 (Audited) S\$'000
Indonesia unquoted equity security		
-PT Iforte Payment Infrastructure ("PT Iforte")	493	493

E. Notes to the condensed interim consolidated financial statements

13 Financial assets at fair value through other comprehensive income (cont'd)

On 27 June 2023, PT Iforte (formerly known as PT MCP Indo Utama) completed a placement of shares for which the Group did not subscribe. As a result, the Group's shareholding in PT Iforte decreased from 24.0% to 6.9% and PT Iforte ceased to be an associate of the Group. The Group irrevocably elected at initial recognition to classify the fair value of the retained 6.9% equity interest of \$519,868 as 'Financial asset at fair value through other comprehensive income'. This is a strategic investment and the Group considers this classification to be more relevant.

On 27 December 2023, PT Iforte completed another share placement with the Group's equity interest further diluted from 6.9% to 5.5%.

14 Borrowing

Group	As at 30-Jun-24 (Unaudited)		As at 31-Dec-2023 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one (1) year or less, or on demand				
Bank loan	-	191	-	186
Amount repayable after one (1) year				
Bank loan	-	540	-	637

Notes on Group's Borrowing

Bank loan is unsecured and carries an interest of 4.5% per annum for a period of 5 years from 2023.

Details of any collateral and contingent liability

As at 30 June 2024 and 31 December 2023, the Group has no banker's guarantees or other collateral and contingent liability. The Group was granted S\$200,000 for security deposits required by a payment acquirer and the Monetary Authority of Singapore ("MAS") licence, respectively. The security deposits are required by a certain payment acquirer and MAS in the event that the Group is unable to settle any outstanding amount due to the payment acquirer and pursuant to the requirement under section 22 of the Payment Services Act, respectively. The Group does not expect any situation that would result in its inability to settle any payable due to the payment acquirer or MAS.

E. Notes to the condensed interim consolidated financial statements

15 Lease

Lease as a lessee

The Group has lease contracts for office space used in its operations. The lease typically run for a period of 3 years, with an option to renew the lease after that date.

Information about leases for which the Group is a lessee is presented below.

(a) Right-of-use asset

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see Note 11).

Group	As at 30-Jun-24 (Unaudited) S\$'000	As at 31-Dec-23 (Audited) S\$'000
Balance as at 1 January 2024	-	-
Additions	209	-
Depreciation charge for the year	(16)	-
Balance as at 30 June 2024	193	-

Amounts recognised in profit or loss

Group	As at 30-Jun-24 (Unaudited) S\$'000	As at 30-Jun-23 (Unaudited) S\$'000
Interest on lease liability	3	-

Amounts recognised in statement of cash flows

Group	As at 30-Jun-24 (Unaudited) S\$'000	As at 30-Jun-23 (Unaudited) S\$'000
Total cash outflow for lease	-	-

The Group does not have any lease liability as at 31 December 2023.

Company

The Company does not have any lease liability as at 30 June 2024 and 31 December 2023.

E. Notes to the condensed interim consolidated financial statements

16 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.

	Company 2024	
	No. of shares	S\$'000
Issued and fully paid ordinary shares, with no par value:		
At 1 January 2024 and 30 June 2024	275,843,137	170,474

	Company 2023	
	No. of shares	S\$'000
Issued and fully paid ordinary shares, with no par value:		
At 1 January 2023 and 30 June 2023	275,843,137	170,474

	Group 2024
	S\$'000
Issued and fully paid ordinary shares, with no par value:	
At 1 January 2024 and 30 June 2024	55,757

	Group 2023
	S\$'000
Issued and fully paid ordinary shares, with no par value:	
At 1 January 2023 and 30 June 2023	55,757

17 Subsequent Events

The Group entered into a term loan facility of S\$0.5 million with Green Link Digital Bank on 1 July 2024. The loan was fully drawn down on 11 July 2024. There are no known subsequent events which have led to adjustments to this set of condensed interim consolidated financial statements.

F. 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 interim consolidated statement of financial position of the Company and its subsidiaries as at 30 June 2024 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity, statement of changes in equity of the Company and condensed interim consolidated statement of cash flows for the six months ended 30 June 2024 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 Group's latest audited consolidated financial statements for the financial year ended 31 December 2023 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.**

There were no changes in the share capital of the Company since 31 December 2023.

The Company did not have any treasury shares, subsidiary holdings or other convertibles as at 30 June 2024 and 30 June 2023.

F. Other Supplementary Information Pursuant to Appendix 7C of the Catalyst 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 2024	As at 31 December 2023
Number of issued shares excluding treasury shares	275,843,137	275,843,137

The Company did not have any treasury shares as at 30 June 2024 and 31 December 2023.

- 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**

The Group recorded a net loss of S\$1.3 million in 1H2024, as compared to a net loss of S\$0.8 million in 1H2023.

The following are the key factors contributing to the Group's results for 1H2024, as compared to the same period in 1H2023:

- a. Revenue decreased by 73% or S\$5.0 million for 1H2024, from S\$6.8 million in 1H2023 to S\$1.8 million in 1H2024. The decrease in revenue was mainly due to the decrease in sales from the MPS business segment for Singapore (significant decrease in credit card processing volume that was impacted by WorldPay's termination of PayFac agreement), and partially offset by the increase in sales from the MPS business segment for Malaysia.
- b. Gross profit margin increased from 20% in 1H2023 to 70% in 1H2024, mainly due to the one-off revenue recognition of WorldPay's merchants settlement of S\$0.2 million in 1Q2024 and the increase in non-cards processing volume which carries a higher profit margin. Overall gross profit had decreased by 7% or S\$0.1 million due to the lower processing volume in 1H2024 as compared to 1H2023.
- c. Other income decreased by 76% in 1H2024 as compared to 1H2023. The decrease was due to the decrease in government grants as compared to 1H2023.
- d. Finance income decreased by 96% or S\$0.4 million in 1H2024. This was mainly due to the decrease in fixed deposits with banks, as compared to 1H2023.
- e. Administrative expenses decreased by 3% or S\$0.1 million, from S\$2.5 million in 1H2023 to S\$2.4 million in 1H2024. The decrease in administrative expenses was mainly due to the decrease in employee compensation of S\$0.3 million and was partially offset by the increased in other administrative expenses of S\$0.2 million.
- f. Other operating expenses decreased marginally in 1H2024 as compared to 1H2023.

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

g. Finance costs were comparable for 1H2024 and 1H2023.

b. Condensed interim consolidated statement of financial position

As at 30 June 2024, the Group's net asset value was S\$2.9 million, a decrease of S\$1.2 million as compared to 31 December 2023. This decrease was mainly due to the losses incurred in 1H2024 and partially offset by the marginal increase in currency translation reserve of S\$0.1 million.

The Group reported a positive working capital position of S\$2.5 million as at 30 June 2024, as compared to S\$3.9 million as at 31 December 2023.

Non-current assets

There was a S\$0.2 million increase in non-current assets as at 30 June 2024 as compared to 31 December 2023. The increase was mainly due to the new leased office space of S\$0.2 million, purchase of property, plant and equipment of S\$0.1 million and partially offset by depreciation of property, plant and equipment charged in 1H2024.

Current Assets

Current assets comprised cash and cash equivalents, trade and other receivables and inventories. Current assets decreased by S\$8.7 million from S\$15.9 million as at 31 December 2023 to S\$7.2 million as at 30 June 2024, due to the decrease in trade and other receivables of S\$5.7 million (related to the lower revenue from, and settlement of, Worldpay's merchants) and cash and cash equivalents of S\$2.9 million. The decrease in cash and cash equivalents was mainly attributable to the cash used in operating activities.

Please refer to the section on "Condensed interim consolidated statement of cash flows" below for the reasons in the movement of cash and cash equivalents.

Liabilities

Current liabilities comprised mainly trade and other payables, borrowing and lease liability. Current liabilities decreased by S\$7.3 million from S\$12.0 million as at 31 December 2023 to S\$4.7 million as at 30 June 2024.

Trade and other payables decreased by S\$7.3 million from S\$11.8 million as at 31 December 2023 to S\$4.5 million as at 30 June 2024. This was mainly due to the WorldPay's merchants settlement in 1Q2024.

Borrowing (current and non-current) decreased from S\$0.8 million as at 31 December 2023 to S\$0.7 million as at 30 June 2024. This was mainly due to the repayment of bank loan.

Lease liability (current and non-current) of S\$0.2 million was due to the new office lease which commenced in July 2024.

c. Condensed interim consolidated statement of cash flows

The Group's cash and cash equivalents decreased by S\$2.9 million from S\$9.4 million as at 31 December 2023 to S\$6.5 million as at 30 June 2024. The decrease in cash and cash equivalents in 1H2024 was mainly due to:

- i. Net cash used in operating activities of S\$2.8 million, mainly due to the operating cash outflows before working capital changes of S\$1.2 million, decrease in trade and other payables of S\$7.3 million, and was partially offset by the decrease in trade and other receivables of S\$5.8 million;
- ii. Net cash used in investment activities of S\$0.1 million, mainly due to the purchase of property, plant and equipment and intangible assets; and

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

- iii. Net cash used in financing activities of S\$0.1 million was due to the repayment of borrowing.

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

Not applicable. 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.

Digital payment transactions in the ASEAN region have experienced exponential growth recently. The rise of digital payment methods has slowly and steadily replaced cash transactions and in 2023, digital payments accounted for 50% of the value of transactions in six of the ASEAN member states.¹ This growth has been accelerated by a confluence of factors such as increasing smartphone penetration, the expansion of the e-commerce ecosystem, and government initiatives to promote financial inclusion². As the world's fastest-growing market for mobile wallets, the number of active accounts in ASEAN is expected to more than triple to approximately 440 million by 2025³.

Additionally, the ASEAN Digital Economy Framework Agreement (“**DEFA**”) is currently under negotiation. It aims to further unleash ASEAN's digital potential by aligning with international standards and fostering public-private collaboration. With the launch of DEFA, ASEAN's digital economy could reach US\$2 trillion by 2030⁴. This promising trend will serve as a potential tailwind for the Group as we work towards strengthening our position in the market to capitalise on these growth opportunities.

Earlier this year, the Group entered into an agreement with DCS Card Centre (“**DCS**”) as their payment facilitator, and regained our ability to process VISA and Mastercard payments. Under the guidance of the new management, we believe that the Group is strategically poised to increase our payment processing volumes by actively targeting opportunities to expand our merchant base within the SME sector. Additionally, the collaboration with Green Link Digital Bank Pte. Ltd. (“**GLDB**”) provides onboarded merchants with easier access to financing, thereby enhancing merchant stickiness.

The Group also intends to enter the card issuance business in Indonesia through an investment into PT Diners Payment Indonesia. Upon completion of the proposed non-binding investment by the Company in PT Diners Payment Indonesia, the Group is expected to expand its merchant base and tap into the lucrative card issuance business in a highly populated but underbanked country. The Group will become the sole acquirer and future

¹ <https://asean.org/wp-content/uploads/2024/04/ASEAN-for-Business-Bulletin-April-2024.pdf>

² <https://ycpsolidiance.com/article/sea-digital-payments-major-player>

³ https://sponsored.bloomberg.com/article/hsbcasean/open-for-business-southeast-asia-s-digital-payments-revolution#_ftn2

⁴ <https://www.thestar.com.my/aseanplus/aseanplus-news/2024/07/06/asean-digital-economy-to-hit-rm47-trillion-by-2030-indonesia-has-largest-number-of-unicorn-and-decacorn-firms-says-minister>

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

issuer of Diners Cards in Indonesia. With only a 5% credit card penetration rate⁵, the Indonesian market presents significant growth opportunities.

The management will continue working towards materialising these strategic initiatives as we remain committed to bringing incremental value to our shareholders.

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 1H2024 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.

The Company has entered into a convertible loan agreement dated 21 June 2024 (the “**Convertible Loan Agreement**”) with Oxley Capital Management Pte. Ltd. (the “**Lender**”) pursuant to which the Lender has agreed to grant to the Company a convertible loan facility of a principal amount of up to S\$2,000,000 on and subject to the terms and conditions of the Convertible Loan Agreement (the “**Convertible Loan Facility**”). The Lender is an exempt private company incorporated in Singapore, whose sole shareholder and director is Ching Chiat Kwong. In view that the Lender is wholly-owned by Ching Chiat Kwong, who is the Non-Executive Non-Independent Chairman and controlling shareholder of the Company, and hence who is an interested person under Chapter 9 of the Catalist Rules, the grant of the Convertible Loan Facility by the Lender to the Company is an interested person transaction for the purposes of Chapter 9 of the Catalist Rules. The value of the interested person transaction (being the grant of the Convertible Loan Facility by the Lender to the Company) amounts to the aggregate price of the conversion shares, being S\$2,276,000, which represents approximately 53.33% of the latest audited consolidated net tangible assets of the Group as at 31 December 2023. Please refer to the Company’s announcement dated 23 June 2024 for more information on the Convertible Loan Facility.

Save for the above, there were no interested person transactions entered into by the Group with a value of S\$100,000 or more during 1H2024.

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.

The Group’s previous associated company, PT Iforte, (formerly known as PT MCP Indo Utama), had issued 2 tranches of Series C shares on 27 June 2023 and 27 December 2023

⁵ <https://1datapipe.com/blogs-en/unlocking-revenue-potential-in-indonesias-credit-card-boom/>

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

of 3,825,000 shares and 1,293,440 shares respectively. The Group did not subscribe for the Series C shares and this resulted in PT Iforte ceasing to be an associated company of the Group and the Group's equity interest in PT Iforte decreased from 24.0% to 5.5%.

Please refer to the Company's announcement dated 22 November 2023 relating to the subscription of new ordinary shares in OxPay (Thailand) Company Limited. The Group's shareholding interests in OxPay (Thailand) Company Limited remained unchanged at 74% before and after the said subscription.

On 24 July 2024, PT Iforte completed another share placement of 2,191,085 Series C shares and the Group did not subscribe for the Series C shares and this resulted in the Group's equity interest in PT Iforte to further dilute from 5.5% to 4.16%.

Save as disclosed above, the Group has not carried out any acquisitions (including incorporations) and realisations of shares in subsidiaries and/or associated companies since the end of the previous reporting period, up to 30 June 2024.

12 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.

13 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 unaudited condensed interim consolidated financial statements of the Group for the six months financial period ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ching Chiat Kwong
Non-Executive Non-Independent
Chairman

Yick Li Tsin
Executive Director and Chief Executive Officer

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

Yick Li Tsin
Executive Director and Chief Executive Officer
Singapore

8 August 2024