



OXPAY FINANCIAL LIMITED
(Company Registration Number: 200407031R)

For Immediate Release

OxPay reports a net loss of S\$1.3 million for 1H2024 but aims for a turnaround with new initiatives

- 1H2024 revenue declined to S\$1.8 million in 1H2024, mainly due to less credit card processing volume.
- A payment facilitator agreement with DCS Card Centre will allow the Group to regain the capability of processing VISA and Mastercard payments, which is expected to boost processing volume.
- Expanding merchant base and increasing stickiness by expanding portfolio of services through collaboration with GLDB and working towards becoming the sole issuer of Diners Cards in Indonesia.

SINGAPORE, 8 August 2024 – OxPay Financial Limited (SGX: TVV) (“OxPay” or the “Company”, and together with its subsidiaries, the “Group”), the only SGX-listed integrated payment solution provider, today announced its unaudited financial results for the six months ended 30 June 2024 (“**1H2024**”, and for the corresponding six months ended 30 June 2023, “**1H2023**”).

Financial Highlights

| Financial Highlights (Unaudited) | 1H2024 (S\$'000) | 1H2023 (S\$'000) | Change (%) |
|---|-----------------------------|-----------------------------|-----------------------|
| Revenue | 1,806 | 6,812 | (73) |
| Gross Profit | 1,274 | 1,368 | (7) |
| Gross Profit Margin | 70% | 20% | - |
| Other Income | 11 | 45 | (76) |
| Finance Income | 17 | 454 | (96) |
| Administrative Expenses | (2,433) | (2,502) | (3) |
| Loss for the Period | (1,254) | (768) | 63 |
| Loss Attributable to Owners of the Company | (1,226) | (758) | 62 |



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Revenue for 1H2024 declined by 73% year-on-year (“yoy”) to S\$1.8 million, primarily due to lower processing volume in Singapore impacted by the termination of PayFac agreement with WorldPay. This was partially offset by improved performance in the Group’s Malaysian operations.

Gross profit decreased slightly by 7% yoy to S\$1.3 million in 1H2024, while the gross profit margin improved to 70% from 20% in 1H2023. This was mainly due to the one-off revenue recognition of WorldPay’s merchants’ settlements and an increase in non-cards processing volume, which carries a higher profit margin.

Other income fell by 76% yoy in 1H2024, which was due to the lower government grants, as compared to 1H2023. Finance income decreased by 96% yoy in 1H2024, which was mainly attributable to the decrease in fixed deposits with banks, as compared to 1H2023.

Consequently, the Group registered a net loss of S\$1.3 million for the period under review, as compared to a net loss of S\$0.8 million in the preceding period.

Business Outlook

Digital payment transactions in the ASEAN region have grown rapidly, with more than half of all transactions processed digitally in six of the ASEAN member states in 2023¹. According to Statista, the total digital transaction value in ASEAN is projected to grow at a compound annual growth rate (“CAGR”) of 9.77% from 2024 to 2028, reaching an estimated amount of US\$416.6 billion by 2028².

Furthermore, the ASEAN Digital Economy Framework Agreement is currently under negotiation. Once launched, ASEAN’s total digital economy could reach US\$2 trillion by 2030³.

Given the promising market outlook, the Group is proactively ramping up its strategic initiatives to capitalise on these growth opportunities.

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

² <https://www.statista.com/outlook/dmo/fintech/digital-payments/asean>

³ <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>



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In March 2024, the Group entered into an agreement with DCS Card Centre (“**DCS**”), to serve as their payment facilitator. The Group is in the process of integrating its technology platform with DCS and this is expected to be completed in August 2024. This alliance will restore the Group’s capability to process VISA and Mastercard payments, which had been disrupted by the termination of PayFac agreement with WorldPay. The strategic move is anticipated to boost our processing volume and elevate our topline going forward.

Additionally, the partnership with Green Link Digital Bank Pte. Ltd. (“**GLDB**”) provides partner merchants with easier access to financing, thereby enhancing merchant stickiness.

The Group also intends to penetrate the card issuance business in Indonesia through a proposed non-binding⁴ investment by the Company in PT Diners Payment Indonesia. With a credit card penetration rate of just 5% in Indonesia⁵, this venture will represent a substantial growth opportunity for our future operations, assuming there are no unexpected obstacles and if it materialises.

Mr Yick Li Tsin, Executive Director and Chief Executive Officer of OxPay, *remarked*, “**2024 marks a transformative year for OxPay, as we welcomed a new but experienced management team onboard to redefine our growth strategy to leverage on the fast-growing digital payment market in ASEAN.**

We are greatly encouraged by the DCS partnership achieved in 1H2024. This accomplishment will restore the Group's transaction processing capabilities and also establish a strong foundation for future business expansion.

With the vision of enabling small merchants in Southeast Asia, the Group aims to further expand its regional merchant base by acquiring more merchants and potentially launching credit card issuance business in Indonesia. These initiatives are strategically positioned to address market gaps and create long-term sustainable value for our shareholders.”

⁴ The parties are still in the midst of performing due diligence checks and negotiating the definitive agreements for the proposed investment.

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



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About OxPay

OxPay is principally engaged in providing merchant payment services and digital commerce enabling services, offering online-to-offline (“**O2O**”) solutions through a fully integrated platform focusing on servicing merchants in the retail, transportation, and food and beverage industries. Its end-to-end payment platform offers comprehensive solutions for merchants, ranging from hardware and software to data analytics and other technology-driven value-added services tailored to specific industries. Its solutions cater to merchants with both online and offline presences, provided through a unified platform for digitalising engagement across all channels. OxPay operates in four geographical markets - Singapore, Malaysia, Indonesia, and Thailand.

For more information, please visit us at <http://OxPayfinancial.com/>

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This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the “Sponsor”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalyst.

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

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