

## **OIO HOLDINGS LIMITED**

Company Registration No. 201726076W

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### **Unaudited Condensed Interim Financial Statements**

**For the First Quarter Ended 31 March 2023**

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#### **Background**

OIO Holdings Limited (the “**Company**”) was incorporated in Singapore on 13 September 2017 under the Companies Act (Chapter 50) of Singapore as a company limited by shares under the name of “DLF Holdings Pte Ltd”. The Company was converted into a public company and changed its name to “DLF Holdings Limited” on 19 June 2018. The Company, and its subsidiaries (the “**Group**”) were formed pursuant to a restructuring exercise (the “**Restructuring Exercise**”) completed on 20 October 2017. On 25 July 2018, the Company was listed on the Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Following the approval at the Extraordinary General Meeting dated 26 June 2020, the Company has changed its name to “OIO Holdings Limited” on 2 July 2020 and diversified its business activities to include blockchain related business.

Pursuant to Rule 705(2C) of the SGX-ST Listing Manual (“**Catalist Rules**”), the Company is required by the SGX-ST to announce its quarterly financial statements in view of the material uncertainty related to going concern issued by the Company’s auditors in the latest audited financial statements for the financial year ended 31 December 2022.

## OIO HOLDINGS LIMITED

	<b><u>Page</u></b>
A. Condensed interim consolidated profit or loss and other comprehensive income	3
B. Condensed interim statements of financial position (Group and Company)	4
C. Condensed interim consolidated statement of cash flows	5
D. Condensed interim statements of changes in equity (Group and Company)	6
E. Notes to the condensed interim consolidated financial statements	7
F. Other information required by Appendix 7C of the Catalist Rules	26

OIO HOLDINGS LIMITED

INFORMATION REQUIRED FOR THE ANNOUNCEMENT OF FIRST QUARTER RESULTS

**A. Condensed Interim Consolidated Profit or Loss and Other Comprehensive Income**

	Note	Group		
		3 months ended		
		31 March		
		1Q 2023	1Q 2022	Change
	(Unaudited)	(Unaudited)		
	S\$	S\$	%	
<b>Revenue</b>	4	481,466	1,292,479	(62.7)
<b>Cost of sales</b>		(54,680)	(395,899)	(86.2)
<b>Gross profit</b>		426,786	896,580	(52.4)
Other operating income		580,075	320,711	80.9
Selling and distribution expenses		(17,432)	(352,781)	(95.1)
Administrative expenses		(710,413)	(960,571)	(26.0)
Other operating expenses		-	(153,300)	N.M
<b>Result from operation</b>		279,016	(249,361)	N.M
Finance costs	6.2	(18,163)	-	N.M
<b>Profit/ (Loss) before taxation</b>	6	260,853	(249,361)	N.M
Income tax expense	7	-	-	-
<b>Profit/ (Loss) for the financial period</b>		260,853	(249,361)	N.M
<b>Other comprehensive income</b>				
<u>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</u>				
Currency translation differences on consolidation of entities (net)		(20,859)	264	N.M
<b>Total other comprehensive profit/ (loss) for the period</b>		239,994	(249,097)	N.M
<b>Profit/ (Loss) attributable to:</b>				
Owners of the Company		260,853	(252,900)	N.M
Non-Controlling interests ("NCI") <sup>(1)</sup>		-	3,539	N.M
		260,853	(249,361)	N.M
<b>Total comprehensive profit/ (loss) attributable to:</b>				
Owners of the Company		239,994	(252,636)	N.M
Non-Controlling interests ("NCI") <sup>(1)</sup>		-	3,539	N.M
		239,994	(249,097)	N.M

*N.M denotes not meaningful*

<sup>(1)</sup> On 27 October 2022, the Company applied for creditors' voluntary liquidation for DLF Pte Ltd and DLF Prosper Venture Pte Ltd. The subsidiaries are consolidated until the date they cease to be subsidiaries of the Group.

# OIO HOLDINGS LIMITED

## B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		31 March 2023 (Unaudited) S\$	31 December 2022 (Audited) S\$	31 March 2023 (Unaudited) S\$	31 December 2022 (Audited) S\$
<b>ASSETS</b>					
<b>Non-current assets</b>					
Subsidiaries	8	-	-	2,973,205	1,670,960
Intangible assets	9	4,878,280	4,490,346	747	470,229
Plant and equipment	10	14,434	16,683	12,720	14,611
Right-of-use assets	11	73,071	85,965	73,071	85,965
<b>Total non-current assets</b>		<b>4,965,785</b>	<b>4,592,994</b>	<b>3,059,743</b>	<b>2,241,765</b>
<b>Current assets</b>					
Trade and other receivables		84,297	203,524	203,955	719,036
Cash and bank balances		1,596,986	2,742,503	1,408,951	2,684,738
<b>Total current assets</b>		<b>1,681,283</b>	<b>2,946,027</b>	<b>1,612,906</b>	<b>3,403,774</b>
<b>Total assets</b>		<b>6,647,068</b>	<b>7,539,021</b>	<b>4,672,649</b>	<b>5,645,539</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	18.1	23,830,385	23,830,385	23,830,385	23,830,385
Reserves		(2,117,845)	(2,152,986)	128,702	72,702
Accumulated losses		(24,061,312)	(24,322,165)	(26,444,920)	(26,323,995)
<b>Total equity attributable to owners of the Company</b>		<b>(2,348,772)</b>	<b>(2,644,766)</b>	<b>(2,485,833)</b>	<b>(2,420,908)</b>
<b>Non-controlling interests</b>		<b>(55,098)</b>	<b>(55,098)</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>(2,403,870)</b>	<b>(2,699,864)</b>	<b>(2,485,833)</b>	<b>(2,420,908)</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Trade and other payables	13	1,951,680	1,977,565	-	-
Contract liabilities	14	-	41,373	-	-
Provision	15	206,491	213,150	-	-
Lease liabilities	12	22,275	35,477	22,275	35,477
Loans from shareholder	16	3,054,000	3,089,200	3,054,000	3,089,200
Convertible notes	17	1,996,756	1,996,756	1,996,756	1,996,756
<b>Total non-current liabilities</b>		<b>7,231,202</b>	<b>7,353,521</b>	<b>5,073,031</b>	<b>5,121,433</b>
<b>Current liabilities</b>					
Trade and other payables	13	1,386,671	2,375,906	2,033,396	2,893,464
Contract liabilities	14	283,010	359,908	-	-
Lease liabilities	12	52,055	51,550	52,055	51,550
Current tax liabilities		98,000	98,000	-	-
<b>Total current liabilities</b>		<b>1,819,736</b>	<b>2,885,364</b>	<b>2,085,451</b>	<b>2,945,014</b>
<b>Total liabilities</b>		<b>9,050,938</b>	<b>10,238,885</b>	<b>7,158,482</b>	<b>8,066,447</b>
<b>Total equity and liabilities</b>		<b>6,647,068</b>	<b>7,539,021</b>	<b>4,672,649</b>	<b>5,645,539</b>

# OIO HOLDINGS LIMITED

## C. Condensed Interim Consolidated Statement of Cash Flows

	Note	Group	
		3 months ended	
		31 March	
		1Q 2023	1Q 2022
		(Unaudited)	(Unaudited)
		S\$	S\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/ (Loss) before income tax		260,853	(249,361)
Adjustments for:			
Amortisation of software development	6.1	109,497	70,477
Crypto assets received as revenue		(203,077)	(828,440)
Crypto asset payments for expenses		121,695	107,707
Depreciation of plant and equipment	6.1	2,249	1,257
Depreciation of right-of-use assets	6.1	12,894	-
Gain on liquidation of subsidiary <sup>(1)</sup>	6.1	-	(292,784)
(Reversal of impairment loss)/ Impairment loss on crypto assets	6.1	(567,519)	102,684
Interest on finance lease liabilities	6.1	803	-
Interest on convertible notes	6.1	17,360	-
(Gain)/ Loss on disposal of crypto assets	6.1	(19,078)	50,617
Reversal of impairment loss on other receivables	6.1	-	(20,000)
<b>Operating loss before working capital changes</b>		<b>(264,323)</b>	<b>(1,057,843)</b>
Change in contract liabilities		(113,970)	(251,102)
Change in trade and other receivables		104,899	(31,294)
Change in trade and other payables		(923,779)	(452,399)
Net cash used in operations		(1,197,173)	(1,792,638)
Income tax paid		-	(33,900)
<b>Net cash used in operating activities</b>		<b>(1,197,173)</b>	<b>(1,826,538)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions of software development costs		(199,050)	(203,010)
Liquidation of subsidiary <sup>(1)</sup>		-	(6,272)
Proceeds from disposal of crypto assets		301,571	679,850
Purchase of plant and equipment	6.1	-	(5,314)
Repayment of loan from non-controlling interest's holding company		-	20,000
<b>Net cash generated from investing activities</b>		<b>102,521</b>	<b>485,254</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		(12,697)	-
Interest paid on finance lease liabilities		(803)	-
Repayment of loan from shareholder		-	(300,000)
<b>Net cash used in financing activities</b>		<b>(13,500)</b>	<b>(300,000)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,108,152)</b>	<b>(1,641,284)</b>
Cash and cash equivalents at beginning of financial period		2,742,503	5,835,041
Effects of exchange rate changes on cash and cash equivalents		(37,365)	(7,717)
<b>Cash and cash equivalents at end of financial period</b>		<b>1,596,986</b>	<b>4,186,040</b>

<sup>(1)</sup> On 21 February 2022, the Company applied for creditors' voluntary liquidation for Acmes-Kings Corporation Pte. Ltd. This subsidiary is consolidated until the date it ceases to be a subsidiary of the Group. There was a deconsolidation gain of S\$292,784 recorded at Group level in FY2022. The subsidiary was fully dissolved on 26 March 2023.

# OIO HOLDINGS LIMITED

## D. Condensed Interim Statements of Changes in Equity

	Share capital	Other reserves	Share-based payment reserve	Foreign currency reserve	Accumulated losses	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b>1Q 2023 (Unaudited)</b>								
Balance as at 1 January 2023	23,830,385	(2,724,770)	72,702	499,082	(24,322,165)	(2,644,766)	(55,098)	(2,699,864)
Profit for the period	-	-	-	-	260,853	260,853	-	260,853
Foreign currency translation differences	-	-	-	(20,859)	-	(20,859)	-	(20,859)
Total comprehensive (loss)/ profit for the period	-	-	-	(20,859)	260,853	239,994	-	239,994
<b>Transactions with owners, recognised directly in equity</b>								
Issuance of new ordinary Shares	-	-	56,000	-	-	56,000	-	56,000
<b>Balance as at 31 March 2023</b>	<b>23,830,385</b>	<b>(2,724,770)</b>	<b>128,702</b>	<b>478,223</b>	<b>(24,061,312)</b>	<b>(2,348,772)</b>	<b>(55,098)</b>	<b>(2,403,870)</b>
<b>1Q 2022 (Unaudited)</b>								
Balance as at 1 January 2022	23,830,385	(2,888,997)	-	332,224	(11,763,202)	9,510,410	(57,788)	9,452,622
(Loss)/ profit for the period	-	-	-	-	(252,900)	(252,900)	3,539	(249,361)
Foreign currency translation differences	-	-	-	264	-	264	-	264
Total comprehensive profit/ (loss) for the period	-	-	-	264	(252,900)	(252,636)	3,539	(249,097)
<b>Balance as at 31 March 2022</b>	<b>23,830,385</b>	<b>(2,888,997)</b>	<b>-</b>	<b>332,488</b>	<b>(12,016,102)</b>	<b>9,257,774</b>	<b>(54,249)</b>	<b>9,203,525</b>

	Share capital	Other reserves	Share-based payment reserve	Accumulated losses	Total equity
Company	S\$	S\$	S\$	S\$	S\$
<b>1Q 2023 (Unaudited)</b>					
Balance as at 1 January 2023	23,830,385	-	72,702	(26,323,995)	(2,420,908)
Loss for the period	-	-	-	(120,925)	(120,925)
Total comprehensive loss for the period	-	-	-	(120,925)	(120,925)
<b>Transactions with owners, recognised directly in equity</b>					
Issuance of new ordinary shares	-	-	56,000	-	56,000
<b>Balance as at 31 March 2023</b>	<b>23,830,385</b>	<b>-</b>	<b>128,702</b>	<b>(26,444,920)</b>	<b>(2,485,833)</b>
<b>1Q 2022 (Unaudited)</b>					
Balance as at 1 January 2022	23,830,385	-	-	(15,879,228)	7,951,157
Loss for the period	-	-	-	(392,697)	(392,697)
Total comprehensive loss for the period	-	-	-	(392,697)	(392,697)
<b>Balance as at 31 March 2022</b>	<b>23,830,385</b>	<b>-</b>	<b>-</b>	<b>(16,271,925)</b>	<b>7,558,460</b>

**E. Notes to The Condensed Interim Consolidated Financial Statements**

**1. Corporate information**

The Company is incorporated as a private company and domiciled in the Republic of Singapore. The Company was listed on 25 July 2018 in the Catalist Board of the SGX-ST. These condensed interim consolidated financial statements as at and for the three months ended 31 March 2023 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Group are:-

- (a) Blockchain technology services which comprise:
  - (i) Staking<sup>1</sup> services relate to provision of digital wallets and staking services to retail customers as well as research and development services to enterprise customers in relation to their staking and decentralized finance businesses, which are conducted by Moonstake Pte Ltd and Moonstake Limited acquired by the Group on 31 May 2021. Moonstake Pte Ltd and its subsidiary shall collectively be referred to as the “MS Group”;
  - (ii) Blockchain agency and consulting services relate to sales agency services to blockchain companies in respect of their blockchain-related products and services, software development outsource agency services to blockchain companies in respect of their software development projects, consultancy services to blockchain companies in respect of the strategy, sales and marketing, technology and operation of their blockchain-related businesses, products and services and commercialisation of blockchain-related products, which are conducted by OIO Singapore Pte Ltd;
- (b) Mechanical and electrical engineering services segment<sup>2</sup> relates to provision of solutions and services in fire protection systems, plumbing and sanitary systems, and heating, ventilation and air-conditioning systems; and
- (c) Management services segment<sup>2</sup> relates to provision of contract work management and fulfilment services.

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<sup>1</sup> Staking is a technical feature of blockchain technologies which utilises Proof of Stake (“**PoS**”) as a validation mechanism by rewarding token holders who had staked their tokens for the validation process. A staking pool aggregates digital assets from multiple token holders to increase the token holders’ likelihood of receiving the blockchain validation rewards under the PoS system. The MS Group provides a proprietary software platform, including a user-friendly web wallet and mobile wallet services, in order to provide a full range of staking functions, and to serve a larger pool of tokens for holders to stake the cryptocurrencies they hold.

Proof of Stake produces and validates new blocks in blockchains through the process of staking, allowing new blocks to be produced without relying on specialised mining hardware. While mining requires a significant investment in hardware, under staking, holders participate in generating a block by delegating the cryptocurrencies they already hold.

<sup>2</sup> Following the announcements on 21 February 2022, 1 August 2022, 12 August 2022 and 27 October 2022, the Company has fully disposed or liquidated all its entities under the mechanical and electrical engineering services, and management services business segments.

**2. Basis of preparation**

The condensed interim financial statements for the three months ended 31 March 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim 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 annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year 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.

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 the new and revised SFRS(I)s, and Interpretations of SFRS(I) ("**SFRS(I) INTs**") that are effective for the annual period beginning on 1 January 2023. The adoption of these SFRS(I)s and SFRS(I) INTs did not have any significant effect on the financial statements of the Group and the Company.

**2.2 Use of judgement and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 4.1 – Determination of operating segments
- Note 7 – Income tax



## OIO HOLDINGS LIMITED

### 2.2 Use of judgement and estimates (Cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Notes 4.2 and 4.3 – Revenue recognition
- Notes 8, 9 and 10 – Impairment of non-financial assets (Subsidiaries, Intangible assets, Plant and equipment)
- Note 15 – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### 4. Segment and revenue information

The Group is organised into the following main business segments in 1Q 2023:-

- Segment 1: Mechanical and electrical engineering services;
- Segment 2: Management services;
- Segment 3: Blockchain technology services; and
- Segment 4: Unallocated.

These operating segments are reported in a manner consistent with the internal reporting provided to management who are responsible for allocating resources and assessing performance of the operating segments.

# OIO HOLDINGS LIMITED

## 4.1 Reportable segments

<u>Group</u> <u>1Q 2023 (Unaudited)</u>	<b>Mechanical and electrical engineering services <sup>(1)</sup></b>	<b>Management services <sup>(1)</sup></b>	<b>Blockchain technology services <sup>(2)</sup></b>	<b>Unallocated</b>	<b>Total</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Revenue	-	-	481,466	-	481,466
Segment results	-	-	394,019	(115,003)	279,016
Profit/ (Loss) before tax	-	-	394,019	(133,166)	260,853
Segment assets	-	-	5,085,125	1,561,943	6,647,068
Segment liabilities	-	-	3,050,161	6,000,777	9,050,938
<i>Other information</i>					
Interest expenses on lease liabilities	-	-	-	(803)	(803)
Interest expenses on convertible notes	-	-	-	(17,360)	(17,360)
Realised foreign exchange loss, net	-	-	(27,037)	(276)	(27,313)
Unrealised foreign exchange gain, net	-	-	5,248	16,090	21,338
Amortisation of software development	-	-	(109,497)	-	(109,497)
Purchase of plant and equipment	-	-	-	-	-
Depreciation of right-of-use assets	-	-	-	(12,894)	(12,894)
Depreciation of plant and equipment	-	-	(358)	(1,891)	(2,249)
Reversal of impairment loss on other receivables	-	-	-	-	-
Reversal of impairment loss on crypto assets	-	-	282,958	284,561	567,519
Gain on disposal of crypto assets	-	-	19,078	-	19,078
Gain on liquidation of subsidiary	-	-	-	-	-
Government Grant (reversal)/ received	-	-	(3,024)	2,180	(844)

<sup>(1)</sup> Following the announcements on 21 February 2022, 1 August 2022, 12 August 2022 and 27 October 2022, the Company has fully disposed or liquidated all its entities under the mechanical and electrical engineering services, and management services business segments.

<sup>(2)</sup> This segment includes blockchain agency and consulting services and staking services.

## OIO HOLDINGS LIMITED

### 4.1 Reportable segments (Cont'd)

The Group is organised into the following main business segments in 1Q 2022:-

- Segment 1: Mechanical and electrical engineering services;
- Segment 2: Management services;
- Segment 3: Blockchain technology services; and
- Segment 4: Unallocated.

<b>Group</b>	<b>Mechanical and electrical engineering services<sup>(1)</sup></b>	<b>Management services<sup>(1)</sup></b>	<b>Blockchain technology services<sup>(2)</sup></b>	<b>Unallocated</b>	<b>Total</b>
<b>1Q 2022 (Unaudited)</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Revenue	24,490	-	1,267,989	-	1,292,479
Segment results	188,965	17,696	(63,325)	(392,697)	(249,361)
Profit/ (Loss) before tax	188,965	17,696	(63,325)	(392,697)	(249,361)
Segment assets	57,050	450	14,986,778	3,063,500	18,107,778
Segment liabilities	522,836	5,509	4,226,328	4,149,580	8,904,253
<i>Other information</i>					
Interest expenses on lease liabilities	-	-	-	-	-
Interest expenses on convertible notes	-	-	-	-	-
Realised foreign exchange loss, net	-	-	(1,803)	(4,971)	(6,774)
Unrealised foreign exchange (loss)/ gain, net	-	-	(6,086)	15,723	9,637
Amortisation of software development	-	-	(70,477)	-	(70,477)
Purchase of plant and equipment	-	-	(1,771)	(3,543)	(5,314)
Depreciation of right-of-use assets	-	-	-	-	-
Depreciation of plant and equipment	(131)	-	(309)	(817)	(1,257)
Reversal of impairment loss on other receivables	-	20,000	-	-	20,000
Impairment loss on crypto assets	-	-	(102,684)	-	(102,684)
Loss on disposal of crypto assets	-	-	(50,617)	-	(50,617)
Gain on liquidation of subsidiary	292,784	-	-	-	292,784
Government Grant	1,500	-	2,250	1,313	5,063

<sup>(1)</sup> Following the announcements on 21 February 2022, 12 August 2022 and 27 October 2022, the Company has fully disposed or liquidated all its entities under the mechanical and electrical engineering services, and management services business segments.

<sup>(2)</sup> This segment includes blockchain agency and consulting services.

## OIO HOLDINGS LIMITED

### 4.2 Disaggregation of Revenue

	<b>Group</b>	
	<b>3 months ended 31 March</b>	
	<b>1Q 2023</b>	<b>1Q 2022</b>
<b>The Group</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>S\$</b>	<b>S\$</b>
Staking services		
- Digital wallets and staking services	208,026	848,118
- Research and development services	191,740	260,966
- Agency service fee	81,249	82,472
<b>Total staking services</b>	<b>481,015</b>	<b>1,191,556</b>
Project revenue	-	24,490
Blockchain agency and consulting services	451	76,433
	<b>481,466</b>	<b>1,292,479</b>
<b>Timing of revenue recognition</b>		
<b>At a point in time</b>		
- Staking services	240,296	1,088,749
- Blockchain agency and consulting services	-	67,736
	<b>240,296</b>	<b>1,156,485</b>
<b>Over time</b>		
- Staking services	240,719	102,807
- Project revenue	-	24,490
- Blockchain agency and consulting services	451	8,697
	<b>241,170</b>	<b>135,994</b>
	<b>481,466</b>	<b>1,292,479</b>
<b>Geographical segments</b>		
Singapore	113,970	376,625
Others	367,496	915,854
	<b>481,466</b>	<b>1,292,479</b>

### 4.3 Revenue

The accounting policies on revenue recognition for the Group are:-

(i) Mechanical and electrical engineering project revenue

The Group provides maintenance, replacement and repairing engineering services to customers through fixed-price contracts for big projects or purchase orders for small projects. Revenue is recognised when the promised service has been transferred to the customer.

With regard to projects for which performance obligations are satisfied over time, the Group recognises revenue as the project progresses using the percentage-of-completion method. The percentage of completion is estimated by reference to the stage of completion based on the value of the contract sum as certified by third party quantity surveyors and the estimated total project value to complete. Significant judgement is required in determining the estimated total contract value which include contracts awarded, estimation of variation works, if any, and the experience of qualified project managers.

Following the announcements on 21 February 2022, 1 August 2022, 12 August 2022 and 27 October 2022, the Company has fully disposed or liquidated all its entities under the mechanical and electrical engineering services, and management services business segments.

## OIO HOLDINGS LIMITED

### 4.3 Revenue (Cont'd)

#### (ii) Blockchain agency and consulting services<sup>(1)</sup>

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods and acceptance by customers. Revenue from services is recognised when services are rendered and accepted by customers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated cost or the possible return of goods.

#### (ii) Staking services<sup>(2)</sup>

For digital wallets and staking services, revenue is recognised at the point when the block creation or validation is complete and the rewards are available for transfer. Revenue is measured based on the number of tokens received and the fair value of the token at the date of recognition.

For research and development services, revenue is recognised when services are rendered and accepted by customers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated cost or the possible return of goods.

For agency service fee collected in advance, revenue is recognised to the profit and loss over the remaining period of the agency service agreement.

(1) Conducted by OIO Singapore Pte Ltd.

(2) Conducted by Moonstake Pte Ltd and Moonstake Limited.

## 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 31 March 2023 and 31 December 2022:-

	Group		Company	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	(Unaudited) S\$	(Audited) S\$	(Unaudited) S\$	(Audited) S\$
<b>Financial assets at amortised costs</b>				
Trade and other receivables*	48,997	139,104	175,361	695,810
Cash and bank balances	1,596,986	2,742,503	1,408,951	2,684,738
	<u>1,645,983</u>	<u>2,881,607</u>	<u>1,584,312</u>	<u>3,380,548</u>
<b>Financial liabilities at amortised costs</b>				
Trade and other payables**	1,253,970	2,241,445	2,033,396	2,893,464
Lease liabilities	74,330	87,027	74,330	87,027
Loans from shareholder	3,054,000	3,089,200	3,054,000	3,089,200
Convertible notes	1,996,756	1,996,756	1,996,756	1,996,756
	<u>6,379,056</u>	<u>7,414,428</u>	<u>7,158,482</u>	<u>8,066,447</u>

\* Excluded loan and advance payment in crypto assets to third party entities, prepayments and goods and services tax receivable.

\*\* Excluded advances in crypto assets received from a third party, interest free loan from a director in crypto assets and goods and services tax payable.

## OIO HOLDINGS LIMITED

### 6. Profit/ (Loss) before taxation

#### 6.1 Significant items

Profit/ (Loss) for the financial period is stated after (charging)/ crediting the following:-

	Note	Group	
		3 months ended	
		31 March	
		1Q 2023	1Q 2022
		(Unaudited)	(Unaudited)
		S\$	S\$
Amortisation of software development	9	(109,497)	(70,477)
Depreciation on plant and equipment		(2,249)	(1,257)
Depreciation on right-of-use assets	11	(12,894)	-
Realised foreign exchange loss, net		(27,313)	(6,774)
Unrealised foreign exchange gain, net		21,338	9,637
Gain on liquidation of subsidiary <sup>(1)</sup>		-	292,784
Government grants (reversal)/ received		(844)	5,063
Reversal of impairment loss/ (Impairment loss) on crypto assets	9	567,519	(102,684)
Interest expenses on lease liabilities		(803)	-
Interest expenses on convertible notes		(17,360)	-
Gain/ (Loss) on disposal of crypto assets		19,078	(50,617)
Reversal of impairment loss on other receivables		-	20,000
Purchase of plant and equipment		-	(5,314)

<sup>(1)</sup> On 21 February 2022, the Company applied for creditors' voluntary liquidation for Acmes-Kings Corporation Pte. Ltd. This subsidiary is consolidated until the date it ceases to be a subsidiary of the Group. There was a deconsolidation gain of S\$292,784 recorded at Group level in FY2022. The subsidiary was fully dissolved on 26 March 2023.

#### 6.2 Finance costs

The interest expenses on leases liabilities incurred in 1Q 2023 were S\$803 (1Q 2022: Nil). The interest expenses on convertible notes incurred in 1Q 2023 were S\$17,360 (1Q 2022: Nil).

## OIO HOLDINGS LIMITED

### 6.3 Related party transactions

There were transactions with the following related party during the financial period ended 31 March 2023.

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31 March</b>	
	<b>1Q 2023</b>	<b>1Q 2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>S\$</b>	<b>S\$</b>
<u>Transactions with related party</u>		
Professional and consulting fee <sup>(1)</sup>	24,041	24,582

<sup>(1)</sup> Related party is the entity which has common controlling shareholder as the Company.

### 7. Taxation

The Group calculates the income tax expense incurred during the financial period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:-

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31 March</b>	
	<b>1Q 2023</b>	<b>1Q 2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>S\$</b>	<b>S\$</b>
Income tax expense	-	-

Subject to the agreement by the tax authorities, as at 31 December 2022, the Group has unused tax losses of S\$10,705,519 and unutilised capital allowance of S\$4,075,318 available to offset against future profits.

## OIO HOLDINGS LIMITED

### 8. Subsidiaries

	<b>Company</b>	
	<b>31 March 2023</b>	<b>31 December 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>S\$</b>	<b>S\$</b>
<u>Unquoted equity investments, at cost</u>		
At 1 January	9,325,853	10,572,766
Additions <sup>(1)</sup>	1,302,245	-
At 31 March	10,628,098	10,572,766
Disposal of subsidiary <sup>(2)</sup>	-	(194,485)
Liquidation of subsidiaries <sup>(3) (4)</sup>	-	(1,052,428)
At 31 March and 31 December	-	9,325,853
<u>Accumulated impairment</u>		
At 1 January	(7,654,893)	(1,246,913)
Additions	-	-
At 31 March	(7,654,893)	(1,246,913)
Reversal of impairment loss due to disposal of subsidiary <sup>(2)</sup>	-	194,485
Reversal of impairment loss due to liquidation of subsidiaries <sup>(3) (4)</sup>	-	1,052,428
Impairment of investment in subsidiaries <sup>(5)</sup>	-	(7,654,893)
At 31 March and 31 December	(7,654,893)	(7,654,893)
	<b>2,973,205</b>	<b>1,670,960</b>

<sup>(1)</sup> In January 2023, the Company increased its investment in Moonstake Pte Ltd by S\$1,302,245 (US\$968,500 at SGD/USD average P&L rate of 1.3446 for January 2023).

<sup>(2)</sup> On 12 August 2022, the Company disposed its shares in DLF Engineering Pte Ltd. This subsidiary is consolidated until the date it ceases to be a subsidiary of the Group.

<sup>(3)</sup> On 21 February 2022, the Company applied for creditors' voluntary liquidation for Acmes-Kings Corporation Pte Ltd. The subsidiary is consolidated until the date it ceases to be a subsidiary of the Company. The subsidiary was fully dissolved on 26 March 2023.

<sup>(4)</sup> On 27 October 2022, the Company applied for creditors' voluntary liquidation for DLF Pte Ltd and DLF Prosper Venture Pte Ltd. These subsidiaries are consolidated until the date they cease to be subsidiaries of the Company. These subsidiaries will be fully dissolved on 14 May 2023.

<sup>(5)</sup> In FY2022, the Company carried out an impairment assessment of its investments in subsidiaries. Based on this assessment, the Company recognised an impairment loss of S\$7,654,893 (FY2021: Nil) for its subsidiaries from the Blockchain Technology Services segment that were making losses due to weakened cryptocurrency market in FY2022, resulting in lower revenue from digital wallet and staking services, as well as research and development services.



# OIO HOLDINGS LIMITED

## 9. Intangible assets

Note	Group			
	Goodwill on Acquisition	Crypto Assets <sup>(4)</sup>	Software Development	Total
	S\$	S\$	S\$	S\$
<b>At 31 March 2023</b>				
<b>Cost</b>				
At 1 January 2022	7,138,481	6,323,284	1,270,082	14,731,847
Additions	-	2,368,317	806,760	3,175,077
Disposal	-	(3,199,282)	-	(3,199,282)
Repayment of loan by third party <sup>(1)</sup>	-	56,971	-	56,971
Partial repayment of advances to third party <sup>(2)</sup>	-	(34,040)	-	(34,040)
Loan from director <sup>(3)</sup>	-	134,461	-	134,461
Advance payment from customers	-	38,113	-	38,113
Currency translation differences	(37,496)	14,174	(6,670)	(29,992)
At 1 January 2023	7,100,985	5,701,998	2,070,172	14,873,155
Additions	-	203,077	199,050	402,127
Disposal	-	(404,188)	-	(404,188)
Repayment of advances from customers	-	(9,876)	-	(9,876)
Currency translation differences	(92,948)	(72,525)	(27,098)	(192,571)
At 31 March 2023	7,008,037	5,418,486	2,242,124	14,668,647
<b>Accumulated Amortisation</b>				
At 1 January 2022	-	-	(311,845)	(311,845)
Additions	-	-	(349,593)	(349,593)
Currency translation differences	-	-	11,149	11,149
At 1 January 2023	-	-	(650,289)	(650,289)
Additions	6.1	-	(109,497)	(109,497)
Currency translation differences	-	-	9,221	9,221
At 31 March 2023	-	-	(750,565)	(750,565)
<b>Accumulated Impairment</b>				
At 1 January 2022	-	(869,905)	-	(869,905)
Additions	(5,428,037)	(3,604,538)	-	(9,032,575)
Currency translation differences	109,177	60,783	-	169,960
At 1 January 2023	(5,318,860)	(4,413,660)	-	(9,732,520)
Reversal	6.1	567,519	-	567,519
Currency translation differences	69,621	55,578	-	125,199
At 31 March 2023	(5,249,239)	(3,790,563)	-	(9,039,802)
<b>Carrying Amount</b>				
At 31 March 2023	1,758,798	1,627,923	1,491,559	4,878,280
At 31 December 2022	1,782,125	1,288,338	1,419,883	4,490,346

<sup>(1)</sup> Relates to a short-term loan in crypto assets extended to a third party in 2021. The loan bears interest at 1% per annum and was fully repaid in 2022.

<sup>(2)</sup> Relates to partial repayment of advances in crypto assets received from a third party. The advances are non-interest bearing. On 30 December 2022, the Group entered into an agreement with the third party to extend the repayment date of the advances in crypto assets to after 31 December 2024.

<sup>(3)</sup> Loan from director is in crypto assets and is interest free and repayable on demand.

<sup>(4)</sup> Include crypto assets held by the Group and the Company.

## OIO HOLDINGS LIMITED

### 9.1 Goodwill on Acquisition

The Group recognised a goodwill of S\$7,008,037 <sup>(1)</sup> following the acquisition of new subsidiaries, Moonstake Pte Ltd and Moonstake Limited, on 31 May 2021. Please refer to Notes to the Financial Statements 7(a) in the Annual Report for FY2022 for further details of the acquisition.

Following the weakened cryptocurrency market in 2022, which has resulted in lower forecasted revenue from digital wallet and staking services, as well as research and development services, management has assessed the recoverable amount of the Cash-Generating Unit ("CGU") (i.e. Blockchain Technology Services) as at 31 December 2022. As the recoverable amount of the CGU of S\$1,782,125 <sup>(2)</sup> as at 31 December 2022 was determined to be lower than its carrying amount, an impairment loss of S\$5,428,037 <sup>(3)</sup> was recognised in FY2022. Please refer to Notes to the Financial Statements 4(ii) in the Annual Report for FY2022 for further details of the goodwill impairment.

<sup>(1)</sup> US\$5,281,114 @ USD/SGD closing rate of 1.327 as at 31 March 2023

<sup>(2)</sup> US\$1,325,395 @ USD/SGD closing rate of 1.3446 as at 31 December 2022

<sup>(3)</sup> US\$3,955,719 @ USD/SGD average P&L rate of 1.3722 for December 2022

### 9.2 Crypto Assets

The crypto assets held by the Group and the Company are accounted for as intangible assets with indefinite useful lives, and are initially measured at cost. Crypto assets accounted for as intangible assets are not amortised, but assessed for impairment annually, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the infinite-lived asset is impaired. Impairment exists when the carrying amount exceeds its fair value, which is measured using the quoted price of the crypto asset at the time its fair value is being measured at the end of each reporting period. Impairment expense is reflected in other operating expenses in the consolidated profit or loss statement. Crypto assets that suffered an impairment loss are reviewed for possible reversal of the impairment loss at the end of each reporting period when its carrying amount is lower than its fair value. The fair value of the crypto assets is measured at the end of each reporting period using quoted price of the crypto assets and comparing this fair value to the carrying amount as at the last reporting period. The Group and the Company assign costs to transactions on a first-in, first-out basis.

### 9.3 Software Development

Software development relates to software development costs capitalised for MS Group's staking pool protocol and blockchain nodes setup and implementation, staking services management system and digital wallet solutions.

Software development is stated at cost less accumulated amortisation and impairment losses, if any. The cost is amortised using the straight-line method over the estimated useful life of 5 years. The remaining useful life of the software development as at 31 December 2022 is between 2.5 years to 5 years.

## OIO HOLDINGS LIMITED

### 10. Plant and equipment

During the three months ended 31 March 2023, the Group acquired assets amounting to Nil (31 March 2022: S\$5,314). There is no asset written off during the current financial period ended 31 March 2023 (31 March 2022: Nil).

### 11. Right-of-use assets

	<u>Group and Company</u> <u>Office premises</u> S\$
<b><u>At 31 March 2023</u></b>	
<b>Cost</b>	
At 1 January 2022	94,847
Additions	103,157
Lease maturity	(94,847)
At 31 December 2022	103,157
Additions	-
At 31 March 2023	103,157
<b>Accumulated Amortisation</b>	
At 1 January 2022	94,847
Additions	17,192
Lease maturity	(94,847)
At 31 December 2022	17,192
Additions	12,894
At 31 March 2023	30,086
<b>Accumulated Impairment</b>	
At 1 January 2022, 31 December 2022 and 31 March 2023	-
<b>Carrying Amount</b>	
At 31 March 2023	73,071
At 31 December 2022	85,965

In FY2022, the Group entered into 2-year lease to rent an office premise in LTC Building D along 16 Arumugam Road. This lease has resulted in an addition to the right-of-use assets and the lease liabilities respectively (Note 12).

## OIO HOLDINGS LIMITED

### 12. Lease liabilities

	<b>Group and Company</b>	
	<b>31 March 2023</b>	<b>31 December 2022</b>
	<b>(Unaudited) S\$</b>	<b>(Audited) S\$</b>
Undiscounted lease payments due:		
- Year 1	54,000	54,000
- Year 2	22,500	36,000
	76,500	90,000
Less: Unearned interest cost	(2,170)	(2,973)
Lease liabilities	<u>74,330</u>	<u>87,027</u>
Presented as:		
- Non-current	22,275	35,477
- Current	52,055	51,550
	<u>74,330</u>	<u>87,027</u>

Interest expense on lease liabilities of S\$803 (31 March 2022: Nil) is recognised in the profit and loss.

### 13. Trade and other payables

	<b>Group</b>		<b>Company</b>	
	<b>31 March 2023</b>	<b>31 December 2022</b>	<b>31 March 2023</b>	<b>31 December 2022</b>
	<b>(Unaudited) S\$</b>	<b>(Audited) S\$</b>	<b>(Unaudited) S\$</b>	<b>(Audited) S\$</b>
<b>Current</b>				
Trade payables	293,317	150,000	150,000	150,000
Other payables	239,985	463,637	68,981	51,242
Amount due to director (non-trade)	93,793	245,050	16,372	99,372
Amount due to subsidiaries (non-trade)	-	-	1,255,706	2,012,595
Loan from director in crypto assets <sup>(1)</sup>	132,701	134,461	-	-
Accrued expenses	626,875	1,382,758	542,337	580,255
	<u>1,386,671</u>	<u>2,375,906</u>	<u>2,033,396</u>	<u>2,893,464</u>
<b>Non-current</b>				
Advances in crypto assets <sup>(2)</sup>	1,951,680	1,977,565	-	-
<b>Total</b>	<u>3,338,351</u>	<u>4,353,471</u>	<u>2,033,396</u>	<u>2,893,464</u>

## OIO HOLDINGS LIMITED

### 13. Trade and other payables (Cont'd)

Trade and other payables are denominated in the following currencies:

	Group		Company	
	31 March 2023 (Unaudited) S\$	31 December 2022 (Audited) S\$	31 March 2023 (Unaudited) S\$	31 December 2022 (Audited) S\$
Singapore dollar	790,871	1,063,111	2,033,396	2,893,464
United States dollar	2,547,480	3,290,360	-	-
	<u>3,338,351</u>	<u>4,353,471</u>	<u>2,033,396</u>	<u>2,893,464</u>

<sup>(1)</sup> Loan from director in crypto assets is interest-free and repayable on demand.

<sup>(2)</sup> Included in non-current liability as at 31 March 2023 are advances in crypto assets received from a third party of S\$1,951,680 (31 December 2022: S\$1,977,565). The advances are non-interest bearing. On 30 December 2022, the Group entered into an agreement with the third party to extend the repayment date of the advances in crypto assets to after 31 December 2024.

### 14. Contract liabilities

	Group	
	31 March 2023 (Unaudited) S\$	31 December 2022 (Audited) S\$
Deferred Revenue <sup>(1)</sup>		
At 1 January	368,560	699,419
Recognise as revenue - non-refundable agency fee	(81,249)	(335,753)
Currency translation differences	(4,301)	4,894
At 31 March 2023 and 31 December 2022	<u>283,010</u>	<u>368,560</u>
Advances from customer <sup>(2)</sup>		
At 1 January	32,721	221,337
Addition	-	47,032
Recognised as revenue	(32,721)	(236,077)
Currency translation differences	-	429
At 31 March 2023 and 31 December 2022	<u>-</u>	<u>32,721</u>
Total	<u>283,010</u>	<u>401,281</u>
Analysed as		
- Current <sup>(3)</sup>	283,010	359,908
- Non-current	-	41,373
	<u>283,010</u>	<u>401,281</u>

<sup>(1)</sup> Agency service fee collected in advance. The Group recognises the contract liabilities to profit or loss over the remaining period of the agreement.

<sup>(2)</sup> Amounts received in advance for consulting services.

<sup>(3)</sup> Includes agency service fee collected in advance of S\$283,010 (31 December 2022: S\$368,560) to be recognised to profit or loss over the remaining period of the agreement.

## OIO HOLDINGS LIMITED

### 15. Provision

In 2020, a lender (the “**Lender**”) extended loans totalling approximately S\$1.6 million to Moonstake Pte Ltd and Moonstake Limited (the “**Original Loans**”). The provision for contingent liability of approximately S\$0.2 million relates to contingent liability arose from the Deed of Novation entered into by Moonstake Pte Ltd, Moonstake Limited, the Lender and a third party as part of the conditions precedent to be fulfilled, with terms and conditions being satisfactory to the Company prior to the completion of the acquisition of Moonstake Pte Ltd.

The entry into the Deed of Novation is to transfer fully the loan liabilities of approximately S\$1.6 million to a third party with a consideration to share 2.2% of Moonstake Limited’s revenue with the transferee for the period from 1 September 2020 to 31 December 2026. The Lender continued to have loan receivables which had the same principal amounts with the Original Loans from the third party. The revenue sharing obligations are recognised as the provision for contingent liability.

### 16. Aggregate amount of group’s and company’s borrowings and debt securities

#### Amount repayable in one year or less, or on demand

As at 31 March 2023 (Unaudited)		As at 31 December 2022 (Audited)	
Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
-	-	-	-

#### Amount repayable after one year

As at 31 March 2023 (Unaudited)		As at 31 December 2022 (Audited)	
Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
-	3,054,000	-	3,089,200

#### Loans and borrowings

On 31 December 2019, 28 February 2020 and 7 April 2021, the Company entered into interest free loan agreements of S\$200,000, S\$500,000 and US\$2,000,000 (S\$2,654,000 <sup>(1)</sup>) respectively with the Company’s controlling shareholder, North Ventures Pte Ltd (“**NVPL**”).

On 24 March 2022, the Company entered into an agreement with NVPL to extend the repayment date of the interest free loans of (i) S\$400,000 and (ii) US\$2,000,000 (S\$2,654,000 <sup>(1)</sup>) respectively to after 15 April 2023, with a condition that the Company partially repays S\$300,000 loan principal before the end of March 2022. On 25 March 2022, the Company completed the partial repayment of S\$300,000 loan principal to NVPL.

On 30 December 2022, the Company entered into an agreement with NVPL to further extend the repayment date of the interest free loans of (i) S\$400,000 and (ii) US\$2,000,000 (S\$2,654,000 <sup>(1)</sup>) respectively to after 30 April 2024.

<sup>(1)</sup> US\$2,000,000 @ USD/SGD closing rate of 1.327 as at 31 March 2023

# OIO HOLDINGS LIMITED

## 17. Convertible Notes

On 30 December 2022, the Company issued convertible notes with a principal amount of US\$1,490,000 to xWin Asset Management Japan LLC. The convertible notes will mature on 29 December 2024.

Interest on the convertible notes will accrue at the rate of 3.50% per annum, and is payable in cash on (a) the first anniversary of its issue date, (b) the date the convertible notes are redeemed as a result of a declaration by the holder that the notes have become due and payable prior to their maturity because an event of default has occurred and is not cured or waived, and (c) the maturity date if the convertible notes are not converted in accordance with their terms. In all other cases, accrued and unpaid interest will be converted into ordinary shares in the Company in accordance with the terms and conditions of the notes.

The Company may mandate the conversion of the principal amount of the convertible notes together with accrued unpaid interest into conversion shares if at any time the volume weighted average price of the shares for three consecutive trading days is at least 361.27% of the minimum conversion price of S\$0.06922 per share. Upon such mandatory conversion, the principal amount of the convertible notes together with accrued unpaid interest will convert into conversion shares at a price equal to 93.5% of the volume weighted average price of the shares on the Catalist on the last trading day of such three consecutive trading days.

In addition, the principal amount of the convertible notes together with accrued unpaid interest will also automatically convert into conversion shares on the maturity date at the higher of (a) the minimum conversion price and (b) the price equal to 93.5% of the volume weighted average price of the shares on the Catalist on the maturity date.

The initial minimum conversion price is S\$0.06922 per share, with an agreed fixed exchange rate of US\$1.00 = S\$1.35 applicable on conversion of the convertible notes. The minimum conversion price will be subject to customary anti-dilution adjustments.

The proceeds received from the issue of the convertible notes are classified entirely as liability, as follows:

	<b>Group and Company</b>	
	<b>31 March 2023</b>	<b>31 December 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>S\$</b>	<b>S\$</b>
Liability component at the reporting date	1,996,756	1,996,756

## OIO HOLDINGS LIMITED

### 18. Share Capital

**18.1 Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.**

	<b>Group and the Company</b>			
	<b>31 March 2023 (Unaudited)</b>		<b>31 December 2022 (Audited)</b>	
	<b>No. of shares</b>	<b>Amount</b>	<b>No. of shares</b>	<b>Amount</b>
		<b>S\$</b>		<b>S\$</b>
<b><u>Issued and paid-up share capital</u></b>				
At beginning of financial period	187,222,569	23,830,385	186,849,739	23,830,385
Issuance of new ordinary shares <sup>(1)</sup>	-	-	372,830	-
Issuance of new ordinary shares <sup>(2) (3)</sup>	138,272	-	-	-
At end of financial period	<u>187,360,841</u>	<u>23,830,385</u>	<u>187,222,569</u>	<u>23,830,385</u>

<sup>(1)</sup> On 1 April 2022 and 7 April 2022, the Company issued and allotted 186,415 ordinary shares and 186,415 ordinary shares respectively under the Performance Share Plan.

<sup>(2)</sup> On 3 January 2023, the Company issued and allotted 49,383 ordinary shares under the Performance Share Plan.

<sup>(3)</sup> On 31 March 2023, the Company issued and allotted 88,889 ordinary shares under the Performance Share Plan.

Save as disclosed, the Company did not have any treasury shares or subsidiary holdings as at 31 March 2023 and 31 December 2022.

#### Outstanding Convertible Notes Due on 29 December 2024

The Company had on 30 December 2022 issued US\$1,490,000 3.5% per annum convertible notes due in December 2024 at an initial minimum conversion price of S\$0.0692 per share.

Based on the initial minimum conversion price of S\$0.0692 per share and assuming the convertible notes are fully converted, the number of new ordinary shares to be issued would be approximately 29,067,919 shares as at 31 March 2023 (31 December 2022: approximately 29,067,919 shares).

**18.2 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.**

	<b>As at 31 March 2023 (Unaudited)</b>	<b>As at 31 December 2022 (Audited)</b>
Total number of issued shares	<u>187,360,841</u>	<u>187,222,569</u>

The Company did not have any treasury shares as at 31 March 2023 and 31 December 2022.



## OIO HOLDINGS LIMITED

**18.3 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 did not have any treasury shares during and as at the end of the current financial period reported on.

**18.4 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. There were no sales, transfers, cancellation and/or use of subsidiary holdings during and as at the end of the current financial period reported on.

**19. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31 March</b>	
	<b>1Q 2023</b>	<b>1Q 2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit/ (Loss) attributable to the owners of the Group (S\$)	260,853	(252,900)
Weighted average number of ordinary shares in issue	187,231,143	172,942,807
Basic earnings/ (loss) per share (cents)	0.14	(0.15)
Weighted average number of ordinary shares (diluted) in issue	187,231,143	172,942,807
Diluted earnings/ (loss) per share (cents)	0.14	(0.15)

Diluted earnings per share is the same as basic earnings per share due to the absence of any dilutive financial instruments for the financial period ended 31 March 2023 and 31 March 2022 respectively.

## OIO HOLDINGS LIMITED

### 20. Net Asset Value

Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) Current period reported on; and
- (b) Immediately preceding financial year.

	Group		Company	
	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net (liability) value (S\$)	(2,403,870)	(2,699,864)	(2,485,833)	(2,420,908)
Number of ordinary shares in issue	187,360,841	187,222,569	187,360,841	187,222,569
Net (liability) value per ordinary share (cents)	(1.28)	(1.44)	(1.33)	(1.29)

### 21. Subsequent Events

As announced by the Company on 27 October 2022, the Company has applied for creditors' voluntary liquidation for DLF Pte Ltd and DLF Prosper Venture Pte Ltd. These subsidiaries are consolidated until the date they cease to be subsidiaries of the Group. The Group recorded a gain on liquidation of S\$14,974 in its financial statements for the financial year ended 31 December 2022 for these subsidiaries. The dissolution of these subsidiaries has no material impact on the financial position of the Group for the financial year ending 31 December 2023. The Board wishes to update shareholders that these subsidiaries will be dissolved on 14 May 2023.

### F. Other Information required by Appendix 7C of the Catalist Rules

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

#### 23A. 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.

Not applicable as the audit opinion for FY2022 was issued based on material uncertainty relating to going concern.

## OIO HOLDINGS LIMITED

24. A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

### Review for the performance of the Group for the financial period ended 31 March 2023 ("1Q 2023") and 31 March 2022 ("1Q 2022")

#### CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

##### Financial Performance – 1Q 2023 vs 1Q 2022

###### Revenue

The overall revenue decreased by approximately S\$0.8 million or 62.7% to approximately S\$0.5 million in 1Q 2023, from approximately S\$1.3 million in 1Q 2022. The revenue from staking services registered was lower by approximately S\$0.7 million from S\$1.2 million in 1Q 2022 to S\$0.5 million in 1Q 2023, mainly attributable to (i) lower digital wallets and staking services by approximately S\$0.6 million as a result of lower market prices of crypto assets due to weakened cryptocurrency market in 1Q 2023 compared to 1Q 2022 and (ii) lower research and development services by approximately S\$0.1 million from S\$0.3 million in 1Q 2022 to S\$0.2 million in 1Q 2023 is mainly due to the lower revenue from B2B projects. In addition, revenue from blockchain agency and consulting services also decreased by approximately S\$0.1 million in 1Q 2023 as compared to 1Q 2022.

###### Gross profit and gross profit margin (GPM)

The overall gross profit was approximately S\$0.4 million in 1Q 2023, which decreased by S\$0.5 million from approximately S\$0.9 million in 1Q 2022. The overall GPM increased from 69.4% in 1Q 2022 to 88.6% in 1Q 2023. The margin expansion was partly due to the absence of the mechanical and electrical services ("M&E") segment, which reported a gross loss in 1Q 2022.

The overall gross profit generated in 1Q 2023 was mainly contributed by the blockchain technology services, of which the GPM was approximately 88.6% in 1Q 2023. The cost of sales incurred by this business segment was mainly the cost of outsourcing consulting services and commission expenses paid.

###### Other operating income

Other operating income increased by approximately S\$0.26 million, from approximately S\$0.32 million in 1Q 2022 to approximately S\$0.58 million in 1Q 2023. This was primarily attributable to the reversal of impairment loss on crypto assets of approximately S\$0.57 million (1Q 2022: impairment loss of approximately S\$0.1 million) due to improved crypto asset prices on 31 March 2023 as compared to 31 December 2022, and gain on disposal of crypto assets of approximately S\$0.02 million (1Q 2022: loss on disposal of approximately S\$0.05 million). The higher other operating income was partly offset by the absence of gain on liquidation of subsidiary in 1Q2023 (1Q 2022: S\$0.3 million).

## OIO HOLDINGS LIMITED

### Operating Expenses

Selling and distribution expenses were approximately S\$0.02 million in 1Q 2023, decreased by approximately S\$0.33 million as compared to 1Q 2022. The selling and distribution expenses in 1Q 2023 mainly comprised of marketing consultancy and advertising services of approximately S\$0.2 million. The decrease in selling and distribution expenses was mainly due to lower headcount as a result of cost saving measures adopted by the Group, and lower marketing expenses incurred.

Administrative expenses were approximately S\$0.71 million in 1Q 2023, which decreased by approximately S\$0.25 million from approximately S\$0.96 million in 1Q 2022. The decrease in the administrative expenses was mainly attributable to (i) lower staff costs by approximately S\$0.02 million due to a decrease in headcount in 1Q 2023, (ii) lower professional fees by approximately S\$0.06 million and (iii) lower outsourcing fees incurred for product development by approximately S\$0.18 million.

No other operating expenses were incurred in 1Q 2023 (1Q 2022: S\$0.15 million). The other operating expenses in 1Q 2022 mainly consist of (i) impairment loss on crypto assets of S\$0.1 million (1Q 2023: reversal of impairment loss for crypto assets of S\$0.57 million), and (ii) loss on disposal of crypto assets of S\$0.05 million (1Q 2023: gain on disposal of crypto assets of S\$0.02 million).

### Finance costs

The finance costs incurred were approximately S\$803 in 1Q 2023 (1Q 2022: Nil) for a new office lease commencing in September 2022 and accrued interest for the convertible notes issued on 30 December 2022 of approximately S\$17,360 in 1Q 2023 (1Q 2022: Nil).

### Income tax expenses

No income tax expenses were incurred in both 1Q 2023 and 1Q 2022.

### Total comprehensive profit/ (loss) for the period

The resulting comprehensive profit for the three months under review increased by approximately S\$0.49 million to a profit of approximately S\$0.24 million in 1Q 2023 from a loss of approximately S\$0.25 million in 1Q 2022.

## **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Non-current assets increased by approximately S\$0.4 million to approximately S\$5.0 million as at 31 March 2023 from approximately S\$4.6 million as at 31 December 2022. The increase was mainly due to intangible assets of S\$0.39 million. The increase in intangible assets is mainly due to (i) reversal of impairment loss of crypto assets of S\$0.57 million, offset by a net decrease in crypto asset of S\$0.2 million, and (ii) software development costs of approximately S\$0.07 million.

Current assets decreased by approximately S\$1.3 million to approximately S\$1.7 million as at 31 March 2023 from approximately S\$3.0 million as at 31 December 2022. The decrease was mainly due to a reduction in cash and bank balances of approximately S\$1.15 million following the payment made for business operations in 1Q 2023, and lower trade and other receivables by approximately S\$0.12 million.

Non-current liabilities decreased by approximately S\$0.12 million to approximately S\$7.23 million as at 31 March 2023 from approximately S\$7.35 million as at 31 December 2022. The decrease was mainly due to (i) foreign exchange translation differences that have resulted in lower advances in crypto assets from third party of approximately S\$0.03 million, (ii) lower contract liabilities by approximately S\$0.04 million following the fulfilment of contract obligations, and (iii) foreign exchange translation differences that have resulted in lower loans from shareholder by approximately S\$0.04 million.

## OIO HOLDINGS LIMITED

Current liabilities decreased by approximately S\$1.1 million to approximately S\$1.8 million as at 31 March 2023 from approximately S\$2.9 million as at 31 December 2022. The decrease was primarily due to (i) reduction in trade and other payables by approximately S\$1.0 million following the repayment of trade payables and other payables and (ii) decrease in contract liability of approximately S\$0.1 million following the fulfilment of contract obligation.

As a result, the Group recorded a negative working capital of approximately S\$0.1 million as at 31 March 2023 as compared to a positive working capital of approximately S\$0.1 million as at 31 December 2022.

The shareholders' equity increased by approximately S\$0.3 million from a deficit of approximately S\$2.7 million as at 31 December 2022 to a deficit of approximately S\$2.4 million as at 31 March 2023. This was primarily attributable to the total comprehensive profit recorded for the current financial period of approximately S\$0.2 million.

Notwithstanding the negative net working capital position and deficit in shareholders' equity, the Board is of the view that the Group will be able to operate as a going concern based on the factors set out below:

- (a) The current liabilities include items which would not lead to the actual cash payment by the company including agency service fee collected in advance of S\$283,010 to be recognised to profit or loss over the remaining period of the agreement (included in contract liabilities);
- (b) The crypto-currencies of S\$1,627,923 which can be converted to fiat currencies easily are included in the intangible assets in the non-current assets;
- (c) Based on the expected cashflow forecast, including those from our blockchain business, the Group has sufficient cash and crypto assets resources to fulfil its current obligations as and when they fall due;
- (d) The convertible notes of S\$1,996,756, which are included in the non-current liabilities, will be converted into equity at the earlier of (i) any time of which the volume weighted average price of the shares for three consecutive trading days is at least 361.27% of the minimum conversion price of S\$0.06922 per share, or (ii) on the maturity date of 29 December 2024. As such, no cash outflow is required to repay the convertible notes;
- (e) The Group will continue to explore suitable corporate funds raising exercise(s) to facilitate investment to support business growth, including potential acquisition of income generating assets, and liabilities repayment as and when they fall due; and
- (f) A controlling shareholder of the Company has agreed to provide continuing financial support to the Group and the Company for at least twelve (12) months from the FY2022 auditor's report dated 12 April 2023 to enable the Group and the Company to meet their obligations as and when they fall due.

The Board confirms that the Group will be able to meet its short-term debt obligations when they fall due based on the implementation of the aforementioned steps and continue to operate as a going concern and confirmed that all material disclosures have been provided for trading of the Company's shares to continue in an orderly manner.

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**1Q 2023 vs 1Q 2022**

The Group's net cash outflow in operating activities was approximately S\$1.2 million in 1Q 2023. This consisted of cash used in operating activities before changes in working capital of approximately S\$0.3 million, and net working capital outflow of approximately S\$0.9 million. It was noted that Moonstake Group received a part of its revenue in crypto of approximately S\$0.2 million during 1Q2023 which was accounted under intangible assets as at 31 March 2023 and not treated as cash and cash equivalents for accounting purposes.

A net cash inflow of approximately S\$0.1 million was recorded in investing activities in 1Q 2023, primarily due to the conversion of crypto assets into fiat money of approximately S\$0.3 million offset by payment of software development costs of approximately S\$0.2 million.

A net cash outflow of approximately S\$0.01 million was recorded in financing activities in 1Q 2023. This was mainly due to payment of lease liabilities of approximately S\$0.01 million.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

**26. 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 12 months.**

It was noted that the weakened cryptocurrency prices experienced in 2022, coupled with the collapse of several major cryptocurrency firms in the recent months, have resulted in reduced investors' appetite for cryptocurrency and in-turn impacted the revenue from the staking business of the Group. As a result of these controversies, clearer regulation of digital assets across the industry is widely expected to be implemented in near terms. In addition, following the completion of the long anticipated Ethereum Merge in September 2022, the Ethereum network completed another major update in March 2023 which basically enables it to process withdrawal requests. Known as the Shanghai Upgrade, the latest update will improve the liquidity of Ether as validators are now able to withdraw staked coins. The two major upgrades for the Ethereum network have resulted in improved transaction speed, energy efficiency, and liquidity. These will entice more app developers to participate and create better use cases, which bodes well for all industry players in the ecosystem including our Company.

As the industry goes through this transition, market volatility is expected to stay on the high side. Nevertheless, the fundamentals of cryptocurrency and blockchain have not changed, and it is expected that they will continue to grow in relevance. The management is confident about the fundamentals of the blockchain technology and believes in the long-term growth potential of the Group's staking business. The Group will continue to ramp-up its efforts to focus on projects with positive cash flows and to further develop a suite of products. The Group does not hold or acquire crypto assets for speculative purposes and is adopting prudent risk management approach to mitigate the market price risk of crypto assets.

In FY2022, the Group raised US\$1,490,000 from the issuance of convertible notes to an investor. Utilising a part of the proceeds from this fund-raising exercise, the Group continues to work on various initiatives in the fast-moving blockchain and digital asset sectors for our long-term growth. In addition, the Group will continue to explore various additional funding options depending on the market conditions as well as the nature of the growth investment in the blockchain technology business segment.

## OIO HOLDINGS LIMITED

27. If a decision regarding dividend has been made:

(a) Whether an interim/ final ordinary dividend has been declared/ recommended; and

Nil.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

28. 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 the financial period ended 31 March 2023 to conserve cash for the Group's business operations and growth.

29. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), 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 Group does not have a general mandate from shareholders for IPT pursuant to Rule 920(1)(a)(ii) of the Catalist Rules. There were no IPT entered into by the Group for 1Q 2023.

## OIO HOLDINGS LIMITED

### 30. Disclosures on Incorporation of Entities, Acquisition and Realisation of Shares pursuant to Catalyst Rule 706A.

As announced by the Company on 27 October 2022, the Company has applied for creditors' voluntary liquidation for DLF Pte Ltd and DLF Prosper Venture Pte Ltd. These subsidiaries are consolidated until the date they cease to be a subsidiary of the Group. The Group recorded a gain on liquidation of S\$14,974 in its financial statements for the financial year ended 31 December 2022 for these subsidiaries. The dissolution of these subsidiaries have no material impact on the financial position of the Group for the financial year ending 31 December 2023. Further to the announcement, the Board wishes to update shareholders that these subsidiaries will be dissolved on 14 May 2023.

On 6 January 2023, the Company increased its investment in its wholly owned subsidiary, Moonstake Pte Ltd, by S\$1,302,245 (US\$968,500 at SGD/USD average P&L rate of 1.3446 for January 2023) to fund its operational expenditure.

On 15 March 2023, a wholly-owned subsidiary in Vietnam, OIO Solution Vietnam Company Limited ("**OIO Vietnam**") was incorporated by the Company for US\$298,000. The principal activities of OIO Vietnam are mainly (i) computer programming, (ii) computer consultancy and system administration, (iii) data processing, hosting and related activities, (iv) management advisory services, and (v) other information technology and computer service activities. OIO Vietnam did not have any impact on the net tangible assets per share and earnings per share of the Company and the Group for 1Q 2023.

On 26 March 2023, Acmes-Kings Corporation Pte Ltd was fully dissolved and ceased to be a subsidiary of the Company. The foregoing did not have any material impact on the net tangible assets per share and earnings per share of the Company and the Group as at 31 March 2023.

### 31. Negative Confirmation by the Board Pursuant to Rule 705(5)

To the best of the Board of Directors' knowledge, nothing has come to their attention which may render the unaudited interim condensed financial statements of the Group for the first quarter ended 31 March 2023 to be false or misleading in any material aspect.

Yusaku Mishima  
Executive Director

Foo Kia Juah  
Lead Independent Non-Executive Director



## OIO HOLDINGS LIMITED

### 32. Use of Proceeds

#### Use of Proceeds from Issuance of Convertible Notes in FY2022

On 30 December 2022, the Company announced that it had entered into subscription agreements with an investor (the “**Subscriber**”) for the issuance by the Company to the Subscribers of 3.50% convertible notes up to an aggregate principal amount of US\$1,490,000 (“**Proposed Subscription**”). After deducting the estimated expenses of US\$11,852 in relation to the Proposed Subscription, the net proceeds received was US\$1,478,148 (the “**Net Proceeds**”).

As at the date of this report, the Net Proceeds have been utilised as follows:-

<b>Purposes</b>	<b>Allocation of Net Proceeds Received (US\$)</b>	<b>Amount Utilised (US\$)</b>	<b>Balance (US\$)</b>
Financing the Group’s business expansion (including organic expansion and mergers and acquisitions)	295,630	-	295,630
Working capital and general corporate purposes (including the repayment of the Group’s liabilities)	1,182,518	(751,416)	431,102
<b>Total</b>	<b>1,478,148</b>	<b>(751,416)</b>	<b>726,732</b>

A breakdown on the Net Proceeds utilised for working capital and general corporate purposes is as follows:-

<b>Purposes</b>	<b>US\$</b>
Repayment of the Company’s liabilities including emoluments and professional fee	594,318
Payment of monthly personnel costs and professional fees	157,098
<b>Total</b>	<b>751,416</b>

The above utilisation is in accordance with the intended use of the Net Proceeds, as stated in the Company’s announcement dated 30 December 2022.

### 33. Confirmation that the issue 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 Listing Manual.

The Company confirms that it 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 Listing Manual.

## OIO HOLDINGS LIMITED

### BY ORDER OF THE BOARD

Yusaku Mishima

Executive Director

11 May 2023

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*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

*The contact person for the Sponsor is Ms. Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.*