

## **OIO HOLDINGS LIMITED**

Company Registration No. 201726076W

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### **Unaudited Condensed Financial Statements**

**For the Fourth Quarter and Full Year Ended 31 December 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

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OIO HOLDINGS LIMITED

INFORMATION REQUIRED FOR THE ANNOUNCEMENT OF FOURTH QUARTER AND FULL YEAR RESULTS

A. Condensed Consolidated Profit or Loss and Other Comprehensive Income

	Note	Group					
		3 months ended 31 December			12 months ended 31 December		
		4Q 2023	4Q 2022	Change	FY 2023	FY 2022	Change
		(Unaudited) S\$	(Audited) S\$	%	(Unaudited) S\$	(Audited) S\$	%
<b>Revenue</b>	4	205,487	304,157	(32.4)	1,368,249	3,575,507	(61.7)
<b>Cost of sales</b>		(64,668)	(93,409)	(30.8)	(224,764)	(740,051)	(69.6)
<b>Gross profit</b>		140,819	210,748	(33.2)	1,143,485	2,835,456	(59.7)
Other operating income		850,090	241,384	N.M	1,020,546	833,510	22.4
Selling and distribution expenses		(20,274)	(520,327)	(96.1)	(37,706)	(1,861,748)	(98.0)
Administrative expenses		(800,397)	(1,534,958)	(47.9)	(3,009,852)	(4,557,520)	(34.0)
Other operating expenses, net		112,852	(6,426,514)	N.M	(72,375)	(9,804,508)	(99.3)
<b>Result from operation</b>		283,090	(8,029,667)	N.M	(955,902)	(12,554,810)	(92.4)
Finance costs	6.2	(18,168)	(1,125)	N.M	(72,852)	(1,463)	N.M
<b>Profit/ (loss) before taxation</b>	6	264,922	(8,030,792)	N.M	(1,028,754)	(12,556,273)	(91.8)
Income tax expense	7	(3,105)	-	N.M	(3,105)	-	N.M
<b>Profit/ (loss) for the financial period</b>		261,817	(8,030,792)	N.M	(1,031,859)	(12,556,273)	(91.8)
<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)		(54,394)	(310,075)	(82.5)	(29,813)	166,858	N.M
<b>Total other comprehensive income/ (loss) for the period</b>		207,423	(8,340,867)	N.M	(1,061,672)	(12,389,415)	(91.4)
<b>Profit/ (loss) attributable to:</b>							
Owners of the Company		261,817	(8,030,792)	N.M	(1,031,859)	(12,558,963)	(91.8)
Non-Controlling interests ("NCI") <sup>(1)</sup>		-	-	N.M	-	2,690	N.M
		261,817	(8,030,792)	N.M	(1,031,859)	(12,556,273)	(91.8)
<b>Total comprehensive income / (loss) attributable to:</b>							
Owners of the Company		207,423	(8,340,867)	N.M	(1,061,672)	(12,392,105)	(91.4)
Non-Controlling interests ("NCI") <sup>(1)</sup>		-	-	N.M	-	2,690	N.M
		207,423	(8,340,867)	N.M	(1,061,672)	(12,389,415)	(91.4)

N.M denotes not meaningful

<sup>(1)</sup> Relates to DLF Prosper Venture Pte Ltd which was fully dissolved on 14 May 2023.

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## B. Condensed Statements of Financial Position

Note	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	(Unaudited) S\$	(Audited) S\$	(Unaudited) S\$	(Audited) S\$
<b>ASSETS</b>				
<b>Non-current assets</b>				
Subsidiaries	8	-	3,079,205	1,670,960
Intangible assets	9	4,966,743	4,490,346	742
Plant and equipment	10	8,614	16,683	7,974
Right-of-use assets	11	34,389	85,965	34,389
<b>Total non-current assets</b>		<b>5,009,746</b>	<b>4,592,994</b>	<b>3,122,310</b>
<b>Current assets</b>				
Trade and other receivables		86,046	203,524	580,284
Cash and bank balances		542,857	2,742,503	435,424
<b>Total current assets</b>		<b>628,903</b>	<b>2,946,027</b>	<b>1,015,708</b>
<b>Total assets</b>		<b>5,638,649</b>	<b>7,539,021</b>	<b>4,138,018</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
Reserves		(2,126,799)	(2,152,986)	128,702
Accumulated losses		(25,354,024)	(24,322,165)	(26,347,354)
<b>Total equity attributable to owners of the Company</b>		<b>(3,650,438)</b>	<b>(2,644,766)</b>	<b>(2,388,267)</b>
<b>Non-controlling interests</b>		<b>(55,098)</b>	<b>(55,098)</b>	<b>-</b>
<b>Total equity</b>		<b>(3,705,536)</b>	<b>(2,699,864)</b>	<b>(2,388,267)</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Trade and other payables	13	1,939,326	1,977,565	-
Contract liabilities	14	-	41,373	-
Provision	15	197,196	213,150	-
Lease liabilities	12	-	35,477	35,477
Loans from shareholders	16	4,137,200	3,089,200	4,137,200
Convertible notes	17	-	1,996,756	-
<b>Total non-current liabilities</b>		<b>6,273,722</b>	<b>7,353,521</b>	<b>4,137,200</b>
<b>Current liabilities</b>				
Trade and other payables	13	1,029,699	2,375,906	388,895
Contract liabilities	14	40,574	359,908	-
Lease liabilities	12	35,477	51,550	35,477
Convertible notes	17	1,964,713	-	1,964,713
Current tax liabilities		-	98,000	-
<b>Total current liabilities</b>		<b>3,070,463</b>	<b>2,885,364</b>	<b>2,389,085</b>
<b>Total liabilities</b>		<b>9,344,185</b>	<b>10,238,885</b>	<b>6,526,285</b>
<b>Total equity and liabilities</b>		<b>5,638,649</b>	<b>7,539,021</b>	<b>4,138,018</b>

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## C. Condensed Consolidated Statement of Cash Flows

	Note	Group			
		3 months ended		12 months ended	
		31 December		31 December	
		4Q 2023	4Q 2022	FY 2023	FY 2022
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		S\$	S\$	S\$	S\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit/ (loss) before income tax		264,922	(8,030,792)	(1,028,754)	(12,556,273)
Adjustments for:					
Amortisation of software development	6.1	138,126	104,654	497,923	349,593
Crypto assets received as revenue		(111,504)	(212,731)	(627,034)	(2,070,525)
Crypto asset payments for expenses		3,944	55,124	262,006	717,677
Depreciation of plant and equipment	6.1	1,694	2,248	7,788	6,776
Depreciation of right-of-use assets	6.1	12,894	12,894	51,576	17,192
Gain on liquidation of subsidiaries <sup>(1) (3)</sup>	6.1	-	(14,974)	-	(307,758)
Reclassification to statement of changes in equity – gain on disposal of a subsidiary <sup>(2)</sup>	6.1	-	149,781	-	-
Impairment loss on goodwill	6.1	-	5,428,037	-	5,428,037
(Reversal of impairment loss)/					
Impairment loss on crypto assets	6.1	(724,433)	961,308	(880,384)	3,604,538
Interest on lease liabilities	6.1	423	932	2,450	1,270
Interest on convertible notes	6.1	17,745	193	70,402	193
(Gain)/ loss on disposal of crypto assets	6.1	(11)	89,375	72,095	771,933
Plant and equipment written-off	6.1	-	-	281	-
Reversal of impairment loss on other receivables	6.1	-	-	-	(20,000)
Other income – waiver of income tax liability <sup>(4)</sup>	6.1	(98,000)	-	(98,000)	-
<b>Operating loss before working capital changes</b>		(494,200)	(1,453,951)	(1,669,651)	(4,057,347)
Change in contract liabilities		(82,395)	(110,739)	(359,656)	(523,195)
Change in trade and other receivables		27,112	295,787	90,193	(102,707)
Change in trade and other payables		374,505	228,572	(1,217,067)	(573,920)
<b>Net cash used in operations</b>		(174,978)	(1,040,331)	(3,156,181)	(5,257,169)
Income tax paid		(3,105)	-	(3,105)	(189,050)
<b>Net cash used in operating activities</b>		(178,083)	(1,040,331)	(3,159,286)	(5,446,219)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Additions of software development costs		(45,140)	(161,460)	(659,300)	(806,760)
Net cash outflow on liquidation of subsidiaries <sup>(1) (3)</sup>		-	(99,517)	-	(105,789)
Net cash outflow on disposal of subsidiary <sup>(2)</sup>		-	-	-	(13)
Proceeds from disposal of crypto assets <sup>(5)</sup>		-	429,363	770,623	1,859,443
Purchase of crypto assets		-	(28,219)	(4,009)	(297,792)
Purchase of plant and equipment	6.1	-	-	-	(16,432)
Repayment of loan from non-controlling interest's holding company		-	-	-	20,000
<b>Net cash (used in)/ generated from investing activities</b>		(45,140)	140,167	107,314	652,657

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### C. Condensed Consolidated Statement of Cash Flows (Cont'd)

	Group			
	3 months ended		12 months ended	
	31 December		31 December	
	4Q 2023	4Q 2022	FY 2023	FY 2022
Note	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	S\$	S\$	S\$	S\$
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issuance of convertible notes	-	2,011,500	-	2,011,500
Proceeds from shareholder's loan	-	-	1,100,000	-
Repayment of lease liabilities	(13,077)	(12,568)	(51,550)	(16,130)
Interest paid on lease liabilities	(423)	(932)	(2,450)	(1,270)
Repayment of loans from shareholders	-	-	-	(300,000)
<b>Net cash (used in)/ generated from financing activities</b>	<b>(13,500)</b>	<b>1,998,000</b>	<b>1,046,000</b>	<b>1,694,100</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(236,723)</b>	<b>1,097,836</b>	<b>(2,005,972)</b>	<b>(3,099,462)</b>
Cash and cash equivalents at beginning of financial period	1,087,076	1,694,593	2,742,503	5,835,041
Effects of exchange rate changes on cash and cash equivalents	(307,496)	(49,926)	(193,674)	6,924
<b>Cash and cash equivalents at end of financial period</b>	<b>542,857</b>	<b>2,742,503</b>	<b>542,857</b>	<b>2,742,503</b>

- (1) On 21 February 2022, the Company applied for creditors' voluntary liquidation for Acmes-Kings Corporation Pte. Ltd. This subsidiary was consolidated until the date it ceased to be a subsidiary of the Group. There was a deconsolidation gain of S\$292,784 recorded at Group level in FY 2022. The subsidiary was fully dissolved on 26 March 2023.
- (2) On 12 August 2022, the Company disposed its shares in DLF Engineering Pte Ltd. This subsidiary was consolidated until the date it ceased to be a subsidiary of the Group. There was a gain of S\$149,781 recorded at Group level.
- (3) 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 Group. In FY 2022, there was a gain of S\$14,974 recorded at Group level.
- (4) Relates to waiver obtained from IRAS for a tax liability of DLF Pte Ltd, a fully dissolved subsidiary.
- (5) In May 2023, the Executive Chairman of the Company entered into a deed of indemnity to indemnify the Group against any possible loss from disposal of Internet of Services Token ("IOST") cryptocurrency into fiat money. The amount of IOST cryptocurrency converted was approximately S\$231,065 (US\$173,212 @ USD/SGD average P&L rate of 1.334 for May 2023).

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## D. Condensed Statements of Changes in Equity

Group	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
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b><u>FY 2023 (Unaudited)</u></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)
Loss for the year	-	-	-	-	(1,031,859)	(1,031,859)	-	(1,031,859)
Foreign currency translation differences	-	-	-	(29,813)	-	(29,813)	-	(29,813)
Total comprehensive loss for the year	-	-	-	(29,813)	(1,031,859)	(1,061,672)	-	(1,061,672)
<b><u>Transactions with owners, recognised directly in equity</u></b>								
Recognition of share-based payments	-	-	56,000	-	-	56,000	-	56,000
<b>Balance as at 31 December 2023</b>	<b>23,830,385</b>	<b>(2,724,770)</b>	<b>128,702</b>	<b>469,269</b>	<b>(25,354,024)</b>	<b>(3,650,438)</b>	<b>(55,098)</b>	<b>(3,705,536)</b>
<b><u>FY 2022 (Audited)</u></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 year	-	-	-	-	(12,558,963)	(12,558,963)	2,690	(12,556,273)
Foreign currency translation differences	-	-	-	166,858	-	166,858	-	166,858
Total comprehensive profit/ (loss) for the year	-	-	-	166,858	(12,558,963)	(12,392,105)	2,690	(12,389,415)
<b><u>Transactions with owners, recognised directly in equity</u></b>								
Recognition of share-based payments	-	-	72,702	-	-	72,702	-	72,702
Disposal of a subsidiary	-	164,227	-	-	-	164,227	-	164,227
	-	164,227	72,702	-	-	236,929	-	236,929
<b>Balance as at 31 December 2022</b>	<b>23,830,385</b>	<b>(2,724,770)</b>	<b>72,702</b>	<b>499,082</b>	<b>(24,322,165)</b>	<b>(2,644,766)</b>	<b>(55,098)</b>	<b>(2,699,864)</b>

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## D. Condensed Statements of Changes in Equity (Cont'd)

Group	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
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b>4Q 2023 (Unaudited)</b>								
Balance as at 1 October 2023	23,830,385	(2,724,770)	128,702	523,663	(25,615,841)	(3,857,861)	(55,098)	(3,912,959)
Profit for the period	-	-	-	-	261,817	261,817	-	261,817
Foreign currency translation differences	-	-	-	(54,394)	-	(54,394)	-	(54,394)
Total comprehensive (loss)/ profit for the period	-	-	-	(54,394)	261,817	207,423	-	207,423
<b><u>Transactions with owners, recognised directly in equity</u></b>								
Recognition of share-based payments	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2023</b>	<b>23,830,385</b>	<b>(2,724,770)</b>	<b>128,702</b>	<b>469,269</b>	<b>(25,354,024)</b>	<b>(3,650,438)</b>	<b>(55,098)</b>	<b>(3,705,536)</b>
<b>4Q 2022 (Audited)</b>								
Balance as at 1 October 2022	23,830,385	(2,888,997)	72,702	809,157	(16,291,373)	5,531,874	(55,098)	5,476,776
Loss for the period	-	-	-	-	(8,030,792)	(8,030,792)	-	(8,030,792)
Foreign currency translation differences	-	-	-	(310,075)	-	(310,075)	-	(310,075)
Total comprehensive loss for the period	-	-	-	(310,075)	(8,030,792)	(8,340,867)	-	(8,340,867)
<b><u>Transactions with owners, recognised directly in equity</u></b>								
Recognition of share-based payments	-	-	-	-	-	-	-	-
Disposal of a subsidiary	-	164,227	-	-	-	164,227	-	164,227
	-	164,227	-	-	-	164,227	-	164,227
<b>Balance as at 31 December 2022</b>	<b>23,830,385</b>	<b>(2,724,770)</b>	<b>72,702</b>	<b>499,082</b>	<b>(24,322,165)</b>	<b>(2,644,766)</b>	<b>(55,098)</b>	<b>(2,699,864)</b>

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## D. Condensed Statements of Changes in Equity (Cont'd)

Company	Share capital S\$	Other reserves S\$	Share-based payment reserve S\$	Accumulated losses S\$	Total equity S\$
<b><u>FY 2023 (Unaudited)</u></b>					
Balance as at 1 January 2023	23,830,385	-	72,702	(26,323,995)	(2,420,908)
Loss for the year	-	-	-	(23,359)	(23,359)
Total comprehensive loss for the year	-	-	-	(23,359)	(23,359)
<b><u>Transactions with owners, recognised directly in equity</u></b>					
Recognition of share-based payments	-	-	56,000	-	56,000
<b>Balance as at 31 December 2023</b>	<b>23,830,385</b>	<b>-</b>	<b>128,702</b>	<b>(26,347,354)</b>	<b>(2,388,267)</b>
<b><u>FY 2022 (Audited)</u></b>					
Balance as at 1 January 2022	23,830,385	-	-	(15,879,228)	7,951,157
Loss for the year	-	-	-	(10,444,767)	(10,444,767)
Total comprehensive loss for the year	-	-	-	(10,444,767)	(10,444,767)
<b><u>Transactions with owners, recognised directly in equity</u></b>					
Recognition of share-based payments	-	-	72,702	-	72,702
<b>Balance as at 31 December 2022</b>	<b>23,830,385</b>	<b>-</b>	<b>72,702</b>	<b>(26,323,995)</b>	<b>(2,420,908)</b>
<b><u>4Q 2023 (Unaudited)</u></b>					
Balance as at 1 October 2023	23,830,385	-	128,702	(26,248,617)	(2,289,530)
Loss for the period	-	-	-	(98,737)	(98,737)
Total comprehensive loss for the period	-	-	-	(98,737)	(98,737)
<b><u>Transactions with owners, recognised directly in equity</u></b>					
Recognition of share-based payments	-	-	-	-	-
<b>Balance as at 31 December 2023</b>	<b>23,830,385</b>	<b>-</b>	<b>128,702</b>	<b>(26,347,354)</b>	<b>(2,388,267)</b>
<b><u>4Q 2022 (Audited)</u></b>					
Balance as at 1 October 2022	23,830,385	-	72,702	(17,203,437)	6,699,650
Loss for the period	-	-	-	(9,120,558)	(9,120,558)
Total comprehensive loss for the period	-	-	-	(9,120,558)	(9,120,558)
<b><u>Transactions with owners, recognised directly in equity</u></b>					
Recognition of share-based payments	-	-	-	-	-
<b>Balance as at 31 December 2022</b>	<b>23,830,385</b>	<b>-</b>	<b>72,702</b>	<b>(26,323,995)</b>	<b>(2,420,908)</b>

**E. Notes to The Condensed 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 consolidated financial statements as at and for the twelve months ended 31 December 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 12 August 2022, 24 March 2023 and 11 May 2023, the Company has fully disposed or dissolved all its entities under the mechanical and electrical engineering services, and management services business segments with effect from 14 May 2023.

# OIO HOLDINGS LIMITED

## 2. Basis of preparation

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

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### 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 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 year.

### 4. Segment and revenue information

The Group is organised into the following main business segments in FY 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.

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## 4.1 Reportable segments

<u>Group</u> <u>FY 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	-	-	1,368,249	-	1,368,249
Segment results	98,000	-	181,218	(1,235,120)	(995,902)
Profit/ (Loss) before tax	98,000	-	181,218	(1,307,972)	(1,028,754)
Segment assets	-	-	5,130,268	508,381	5,638,649
Segment liabilities	-	-	2,817,898	6,526,287	9,344,185
<i><u>Other information</u></i>					
Interest expenses on lease liabilities	-	-	-	(2,450)	(2,450)
Interest expenses on convertible notes	-	-	-	(70,402)	(70,402)
Realised foreign exchange loss, net	-	-	(30,409)	(2,806)	(33,215)
Unrealised foreign exchange (loss)/ gain, net	-	-	(4,457)	64,475	60,018
Amortisation of software development	-	-	(497,923)	-	(497,923)
Depreciation of right-of-use assets	-	-	-	(51,576)	(51,576)
Depreciation of plant and equipment	-	-	(1,152)	(6,636)	(7,788)
Reversal of impairment loss on crypto assets	-	-	595,820	284,564	880,384
Impairment loss on goodwill	-	-	-	-	-
Loss on disposal of crypto assets	-	-	(71,740)	(355)	(72,095)
Plant and equipment written-off	-	-	(281)	-	(281)
Other income – waiver of tax income liability <sup>(3)</sup>	98,000	-	-	-	98,000
Government grants	-	-	6,976	4,016	10,992

(1) Following the announcements on 12 August 2022, 24 March 2023 and 11 May 2023, the Company has fully disposed or dissolved all its entities under the mechanical and electrical engineering services, and management services business segments.

(2) This segment includes blockchain agency and consulting services and staking services.

(3) Relates to waiver obtained from IRAS for a tax liability of DLF Pte Ltd, a fully dissolved subsidiary.

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### 4.1 Reportable segments (Cont'd)

The Group is organised into the following main business segments in FY 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><u>FY 2022 (Audited)</u></b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Revenue	68,300	-	3,507,207	-	3,575,507
Segment results	191,294	20,402	(11,055,084)	(1,711,422)	(12,554,810)
Profit/ (Loss) before tax	191,294	20,402	(11,055,084)	(1,712,885)	(12,556,273)
Segment assets	-	-	4,234,444	3,304,577	7,539,021
Segment liabilities	-	-	4,087,033	6,151,852	10,238,885
<b><u>Other information</u></b>					
Interest expenses on lease liabilities	-	-	-	(1,270)	(1,270)
Interest expenses on convertible notes	-	-	-	(193)	(193)
Realised foreign exchange (loss)/ gain, net	-	-	(1,688)	4,319	2,631
Unrealised foreign exchange (loss)/ gain, net	-	-	(48,577)	53,336	4,759
Amortisation of software development	-	-	(349,593)	-	(349,593)
Purchase of plant and equipment	-	-	(1,771)	(14,661)	(16,432)
Depreciation of right-of-use assets	-	-	-	(17,192)	(17,192)
Depreciation of plant and equipment	(204)	-	(1,382)	(5,190)	(6,776)
Reversal of impairment loss on other receivables	-	20,000	-	-	20,000
Impairment loss on crypto assets	-	-	(3,604,538)	-	(3,604,538)
Impairment loss on goodwill	-	-	(5,428,037)	-	(5,428,037)
Loss on disposal of crypto assets	-	-	(771,933)	-	(771,933)
Gain on liquidation of subsidiaries	300,805	6,953	-	-	307,758
Government grants	2,500	-	109,074	24,344	135,918

<sup>(1)</sup> Following the announcements on 12 August 2022, 24 March 2023 and 11 May 2023, the Company has fully disposed or dissolved all its entities under the mechanical and electrical engineering services, and management services business segments.

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

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### 4.1 Reportable segments (Cont'd)

The Group is organised into the following main business segments in 4Q 2023:-

- 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>4Q 2023 (Unaudited)</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Revenue	-	-	205,487	-	205,487
Segment results	98,000	-	438,467	(253,377)	283,090
Profit/ (Loss) before tax	98,000	-	438,467	(271,545)	264,922
Segment assets	-	-	5,130,268	508,381	5,638,649
Segment liabilities	-	-	2,817,898	6,526,287	9,344,185
<b><i>Other information</i></b>					
Interest expenses on lease liabilities	-	-	-	(423)	(423)
Interest expenses on convertible notes	-	-	-	(17,745)	(17,745)
Realised foreign exchange gain, net	-	-	3,682	1	3,683
Unrealised foreign exchange (loss)/ gain, net	-	-	(3,803)	139,763	135,960
Amortisation of software development	-	-	(138,126)	-	(138,126)
Depreciation of right-of-use assets	-	-	-	(12,894)	(12,894)
Depreciation of plant and equipment	-	-	(148)	(1,546)	(1,694)
Reversal of impairment loss on crypto assets	-	-	724,196	237	724,433
Impairment loss on goodwill	-	-	-	-	-
Gain on disposal of crypto assets	-	-	11	-	11
Plant and equipment written-off	-	-	-	-	-
Other income – waiver of tax income liability <sup>(3)</sup>	98,000	-	-	-	98,000
Government grants	-	-	-	765	765

<sup>(1)</sup> Following the announcements on 12 August 2022, 24 March 2023 and 11 May 2023, the Company has fully disposed or dissolved all its entities under the mechanical and electrical engineering services, and management services business segments.

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

<sup>(3)</sup> Relates to waiver obtained from IRAS for a tax liability of DLF Pte Ltd, a fully dissolved subsidiary.

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### 4.1 Reportable segments (Cont'd)

The Group is organised into the following main business segments in 4Q 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</b> <sup>(1)</sup>	<b>Management services</b> <sup>(1)</sup>	<b>Blockchain technology services</b> <sup>(2)</sup>	<b>Unallocated</b>	<b>Total</b>
<b>4Q 2022 (Audited)</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Revenue	-	-	304,157	-	304,157
Segment results	(156,206)	6,953	(7,492,863)	(387,551)	(8,029,667)
(Loss)/ Profit before tax	(156,206)	6,953	(7,492,863)	(388,676)	(8,030,792)
Segment assets	-	-	4,234,444	3,304,577	7,539,021
Segment liabilities	-	-	4,087,033	6,151,852	10,238,885
<b><i>Other information</i></b>					
Interest expenses on lease liabilities	-	-	-	(932)	(932)
Interest expenses on convertible notes	-	-	-	(193)	(193)
Realised foreign exchange loss, net	-	-	(59)	-	(59)
Unrealised foreign exchange (loss)/ gain, net	-	-	(36,159)	95,814	59,655
Amortisation of software development	-	-	(104,654)	-	(104,654)
Purchase of plant and equipment	-	-	-	-	-
Depreciation of right-of-use assets	-	-	-	(12,894)	(12,894)
Depreciation of plant and equipment	-	-	(357)	(1,891)	(2,248)
Reversal of impairment loss on other receivables	-	-	-	-	-
Impairment loss on crypto assets	-	-	(961,308)	-	(961,308)
Impairment loss on goodwill	-	-	(5,428,037)	-	(5,428,037)
Loss on disposal of crypto assets	-	-	(89,375)	-	(89,375)
Gain on liquidation of subsidiaries	8,021	6,953	-	-	14,974
Government grants	-	-	1,538	8,406	9,944

<sup>(1)</sup> Following the announcements on 12 August 2022, 24 March 2023 and 11 May 2023, the Company has fully disposed or dissolved all its entities under the mechanical and electrical engineering services, and management services business segments.

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

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### 4.2 Disaggregation of Revenue

	Group			
	3 months ended 31 December		12 months ended 31 December	
	4Q 2023	4Q 2022	FY 2023	FY 2022
	(Unaudited) S\$	(Audited) S\$	(Unaudited) S\$	(Audited) S\$
<b>The Group</b>				
Staking services				
- Digital wallets and staking services	123,092	220,846	650,838	1,721,690
- Research and development services	-	(6,861)	390,025	1,345,687
- Agency service fee	82,395	85,519	326,935	335,753
Total staking services	205,487	299,504	1,367,798	3,403,130
Project revenue	-	-	-	68,300
Blockchain agency and consulting services	-	4,653	451	104,077
	205,487	304,157	1,368,249	3,575,507
<b>Timing of revenue recognition</b>				
<b>At a point in time</b>				
- Staking services	123,092	213,985	683,109	2,633,534
- Blockchain agency and consulting services	-	-	-	67,736
	123,092	213,985	683,109	2,701,270
<b>Over time</b>				
- Staking services	82,395	85,519	684,689	769,596
- Project revenue	-	-	-	68,300
- Blockchain agency and consulting services	-	4,653	451	36,341
	82,395	90,172	685,140	874,237
	205,487	304,157	1,368,249	3,575,507
<b>Geographical segments</b>				
Singapore	82,395	102,686	359,656	1,786,081
Others	123,092	201,471	1,008,593	1,789,426
	205,487	304,157	1,368,249	3,575,507

### 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 12 August 2022, 24 March 2023 and 11 May 2023, the Company has fully disposed or dissolved all its entities under the mechanical and electrical engineering services, and management services business segments with effect from 14 May 2023.

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### 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.

#### (iii) 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.

### 4.4 A breakdown of sales

	Group		
	FY 2023	FY 2022	Change
	(Unaudited) S\$	(Audited) S\$	%
Sales reported for first half year	916,870	2,919,293	(68.6)
Operating losses after tax before deducting non-controlling interests reported for first half year	(583,509)	(3,451,675)	(83.1)
Sales reported for second half year	451,379	656,214	(31.2)
Operating losses after tax before deducting non-controlling interest reported for second half year	(448,350)	(9,104,598)	(95.1)

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### 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 December 2023 and 31 December 2022:-

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	(Unaudited) S\$	(Audited) S\$	(Unaudited) S\$	(Audited) S\$
<b>Financial assets at amortised costs</b>				
Trade and other receivables*	46,765	139,104	652,566	695,810
Cash and bank balances	542,857	2,742,503	435,424	2,684,738
	589,622	2,881,607	1,087,990	3,380,548
<b>Financial liabilities at amortised costs</b>				
Trade and other payables**	897,838	2,241,445	548,201	2,893,464
Lease liabilities	35,477	87,027	35,477	87,027
Loans from shareholder	4,137,200	3,089,200	4,137,200	3,089,200
Convertible notes	1,964,713	1,996,756	1,964,713	1,996,756
	7,035,228	7,414,428	6,685,591	8,066,447

\* Excluded prepayments and goods and services tax receivable.

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

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

#### 6.1 Significant items

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

	Note	Group			
		3 months ended 31 December		12 months ended 31 December	
		4Q 2023	4Q 2022	FY 2023	FY 2022
		(Unaudited) S\$	(Audited) S\$	(Unaudited) S\$	(Audited) S\$
Amortisation of software development	9	(138,126)	(104,654)	(497,923)	(349,593)
Depreciation on plant and equipment		(1,694)	(2,248)	(7,788)	(6,776)
Depreciation on right-of-use assets	11	(12,894)	(12,894)	(51,576)	(17,192)
Realised foreign exchange gain/ (loss), net		3,683	(59)	(33,215)	2,631
Unrealised foreign exchange gain, net		135,960	59,655	60,018	4,759
Gain on liquidation of subsidiaries <sup>(1)</sup> ( <sup>3</sup> )		-	14,974	-	307,758

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### 6.1 Significant items (Cont'd)

Note	Group				
	3 months ended		12 months ended		
	31 December		31 December		
	4Q 2023	4Q 2022	FY 2023	FY 2022	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	
	S\$	S\$	S\$	S\$	
Reclassification to statement of changes in equity – gain on disposal of a subsidiary <sup>(2)</sup>	-	(149,781)	-	-	
Government grants received	765	9,231	10,992	135,918	
Reversal of impairment loss/ (impairment loss) on crypto assets	9	724,433	(961,308)	880,384	(3,604,538)
Interest expenses on lease liabilities	(423)	(932)	(2,450)	(1,270)	
Interest expenses on convertible notes	(17,745)	(193)	(70,402)	(193)	
Gain/ (loss) on disposal of crypto assets	11	(89,375)	(72,095)	(771,933)	
Impairment loss on goodwill	-	(5,428,037)	-	(5,428,037)	
Plant and equipment written-off	-	-	(281)	-	
Other income – waiver of income tax liability	98,000	-	98,000	-	
Reversal of impairment loss on other receivables	-	-	-	20,000	
Purchase of plant and equipment	-	-	-	(16,432)	

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

<sup>(2)</sup> On 12 August 2022, the Company completed the disposal of shares in DLF Engineering Pte Ltd. This subsidiary was consolidated until the date it ceased to be a subsidiary of the Group. There was a gain of S\$149,781 recorded at Group level.

<sup>(3)</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 Group. In FY 2022, there was a gain of S\$14,974 recorded at Group level.

### 6.2 Finance costs

The interest expenses on leases liabilities incurred in 4Q 2023 and FY 2023 were S\$423 and S\$2,450 (4Q 2022: S\$932, FY 2022: S\$1,270) respectively. The interest expenses on convertible notes incurred in 4Q 2023 and FY 2023 were S\$17,745 and S\$70,402 (4Q 2022: S\$193, FY 2022: S\$193) respectively.

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### 6.3 Related party transactions

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

	Group			
	3 months ended 31 December		12 months ended 31 December	
	4Q 2023	4Q 2022	FY 2023	FY 2022
	(Unaudited) S\$	(Audited) S\$	(Unaudited) S\$	(Audited) S\$
<u>Transactions with related party</u>				
Professional and consulting fee <sup>(1)</sup>	24,380	25,305	96,737	107,655 <sup>(4)</sup>
Proceeds from disposal of a subsidiary <sup>(2)</sup>	-	-	-	5,000
Loan from director <sup>(3)</sup>	-	134,461	-	134,461

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

<sup>(2)</sup> Relates to disposal of the entire share capital of DLF Engineering Pte Ltd to a director, who is also a shareholder of the Company.

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

<sup>(4)</sup> Includes under provision in prior year of S\$8,111.

### 7. Taxation

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

	Group			
	3 months ended 31 December		12 months ended 31 December	
	4Q 2023	4Q 2022	FY 2023	FY 2022
	(Unaudited) S\$	(Audited) S\$	(Unaudited) S\$	(Audited) S\$
Income tax expense <sup>(1)</sup>	(3,105)	-	(3,105)	-

<sup>(1)</sup> Relates to the additional assessment raised by IRAS for OIO Singapore Private Limited for the year of assessment 2021.

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### 8. Subsidiaries

	Company	
	31 December 2023 (Unaudited) S\$	31 December 2022 (Audited) S\$
<u>Unquoted equity investments, at cost</u>		
At 1 January	9,325,853	10,572,766
Additions <sup>(1)</sup>	1,302,245	-
Disposal of subsidiary <sup>(2)</sup>	-	(194,485)
Liquidation of subsidiaries <sup>(3) (4)</sup>	-	(1,052,428)
At 31 December 2023 and 31 December 2022	10,628,098	9,325,853
<u>Accumulated impairment</u>		
At 1 January	(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
Reversal / (addition) of impairment of investment in subsidiaries <sup>(5)</sup>	106,000	(7,654,893)
At 31 December 2023 and 31 December 2022	(7,548,893)	(7,654,893)
	3,079,205	1,670,960

<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 rate of 1.3446 as at 6 January 2023).

<sup>(2)</sup> On 12 August 2022, the Company fully disposed its shares in DLF Engineering Pte Ltd. This subsidiary was consolidated until 12 August 2022 where it ceased 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 was consolidated until the date it ceased 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 were consolidated until the date they ceased to be subsidiaries of the Company. These subsidiaries were fully dissolved on 14 May 2023.

<sup>(5)</sup> In FY 2023, the Company carried out an impairment assessment of its investments in subsidiaries. Based on this assessment, the Company recognised a reversal of impairment loss of S\$106,000 as the recoverable amount exceeded the carrying amount as at 31 December 2023 following an improved outlook in the cryptocurrency market. In FY 2022, the Company recognised an impairment loss of S\$7,654,893 for its subsidiaries from the Blockchain Technology Services segment that were making losses due to weakened cryptocurrency market in FY 2022, resulting in lower revenue from digital wallet and staking services, as well as research and development services.

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### 9. Intangible assets

Note	Group			
	Goodwill on Acquisition	Crypto Assets <sup>(4)</sup>	Software Development	Total
	S\$	S\$	S\$	S\$
<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 Executive Chairman <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	-	631,043	659,300	1,290,343
Disposal	-	(1,104,723)	-	(1,104,723)
Repayment of advances from customers	-	(9,876)	-	(9,876)
Currency translation differences	(137,309)	(99,782)	(40,031)	(277,122)
At 31 December 2023	6,963,676	5,118,660	2,689,441	14,771,777
<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	-	(497,923)	(497,923)
Currency translation differences	-	-	22,057	22,057
At 31 December 2023	-	-	(1,126,155)	(1,126,155)
<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	880,384	-	880,384
Currency translation differences	102,849	70,408	-	173,257
At 31 December 2023	(5,216,011)	(3,462,868)	-	(8,678,879)
<b>Carrying Amount</b>				
At 31 December 2023	1,747,665	1,655,792	1,563,286	4,966,743
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 Executive Chairman 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\$6,963,676 <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 FY 2022 for further details of the acquisition.

The Group tests whether goodwill has suffered any impairment on an annual basis. For the FY 2023 and FY 2022 reporting periods, the recoverable amount of the cash-generating units (“CGU”) is determined based on value-in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates that are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

In FY 2022, the impairment loss of S\$5,428,037 <sup>(2)</sup> was charged to “other operating expenses” in profit or loss. This impairment charge has arisen from the Blockchain Technology Services segment as the segment is expecting lower forecasted revenue from digital wallet and staking services, as well as research and development services. No additional impairment loss was assessed necessary for FY 2023.

The impairment test carried out as at 31 December 2023 for the Blockchain Technology Services segment, which includes goodwill of S\$6,963,676 <sup>(1)</sup> (FY 2022: S\$7,100,985 <sup>(3)</sup>) recognised in the statement of financial position, has revealed that the recoverable amount of the CGU is higher than its carrying amount (FY 2022: 76.1% lower than its carrying amount).

<sup>(1)</sup> US\$5,281,114 @ USD/SGD closing rate of 1.3186 as at 31 December 2023

<sup>(2)</sup> US\$3,955,719 @ USD/SGD average P&L rate of 1.3722 for December 2022

<sup>(3)</sup> US\$5,281,114 @ USD/SGD closing rate of 1.3446 as at 31 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.

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### 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 2023 is between 1.5 years to 5 years.

### 10. Plant and equipment

During the financial year ended 31 December 2023, the Group acquired assets amounting to S\$Nil (31 December 2022: S\$16,432). During the financial year ended 31 December 2023, the Group wrote off an asset with carrying amount of S\$281 (31 December 2022: S\$Nil).

### 11. Right-of-use assets

	<b>Group and Company</b>
	<b>Office premises</b>
	<b>S\$</b>
<b>Cost</b>	
At 1 January 2022	94,847
Additions	103,157
Lease maturity	(94,847)
At 31 December 2022 and 31 December 2023	<u>103,157</u>
<b>Accumulated Depreciation</b>	
At 1 January 2022	94,847
Depreciation	17,192
Lease maturity	(94,847)
At 31 December 2022	<u>17,192</u>
Depreciation	51,576
At December 2023	<u>68,768</u>
<b>Carrying Amount</b>	
At 31 December 2023	<u>34,389</u>
At 31 December 2022	<u>85,965</u>

In FY 2022, 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).

In February 2024, this lease was terminated and a new lease was entered into to rent an office premise in LTC Building C along 14 Arumugam Road.

## OIO HOLDINGS LIMITED

### 12. Lease liabilities

	<b>Group and Company</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>(Unaudited) S\$</b>	<b>(Audited) S\$</b>
Undiscounted lease payments due:		
- Year 1	36,000	54,000
- Year 2	-	36,000
	<u>36,000</u>	<u>90,000</u>
Less: Unearned interest cost	(523)	(2,973)
Lease liabilities	<u>35,477</u>	<u>87,027</u>
Presented as:		
- Non-current	-	35,477
- Current	35,477	51,550
	<u>35,477</u>	<u>87,027</u>

Interest expense on lease liabilities of S\$2,450 (31 December 2022: S\$1,270) is recognised in the profit and loss.

### 13. Trade and other payables

	<b>Group</b>		<b>Company</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 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	23,332	150,000	-	150,000
Other payables	407,807	463,637	87,660	51,242
Amount due to director (non-trade)	136,931	245,050	60,000	99,372
Amount due to subsidiaries (non-trade)	-	-	-	2,012,595
Loan from Executive Chairman in crypto assets <sup>(1)</sup>	131,861	134,461	-	-
Accrued expenses	329,768	1,382,758	241,235	580,255
	<u>1,029,699</u>	<u>2,375,906</u>	<u>388,895</u>	<u>2,893,464</u>
<b>Non-current</b>				
Advances in crypto assets <sup>(2)</sup>	1,939,326	1,977,565	-	-
<b>Total</b>	<u>2,969,025</u>	<u>4,353,471</u>	<u>388,895</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 December 2023	31 December 2022	31 December 2023	31 December 2022
	(Unaudited) S\$	(Audited) S\$	(Unaudited) S\$	(Audited) S\$
Singapore dollar	401,956	1,063,111	388,895	2,893,464
United States dollar	2,567,069	3,290,360	-	-
	2,969,025	4,353,471	388,895	2,893,464

(1) Loan from Executive Chairman in crypto assets is interest-free and repayable on demand.

(2) Included in non-current liability as at 31 December 2023 are advances in crypto assets received from a third party of S\$1,939,326 (31 December 2022: S\$1,977,565). The advances are non-interest bearing. On 29 December 2023, 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 2025.

### 14. Contract liabilities

	Group	
	31 December 2023	31 December 2022
	(Unaudited) S\$	(Audited) S\$
<b>Deferred Revenue</b> <sup>(1)</sup>		
At 1 January	368,560	699,419
Recognise as revenue - non-refundable agency fee	(326,935)	(335,753)
Currency translation differences	(1,051)	4,894
At 31 December 2023 and 31 December 2022 <sup>(2)</sup>	40,574	368,560
<b>Advances from customer</b> <sup>(3)</sup>		
At 1 January	32,721	221,337
Addition	-	47,032
Recognised as revenue	(32,721)	(236,077)
Currency translation differences	-	429
At 31 December 2023 and 31 December 2022	-	32,721
<b>Total</b>	<b>40,574</b>	<b>401,281</b>
Analysed as		
- Current	40,574	359,908
- Non-current	-	41,373
	<b>40,574</b>	<b>401,281</b>

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

(2) Includes agency service fee collected in advance of S\$40,574 (31 December 2022: S\$368,560) to be recognised to profit or loss over the remaining period of the agreement.

(3) Amounts received in advance for consulting services.

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

#### Amount repayable after one year

As at 31 December 2023 (Unaudited)		As at 31 December 2022 (Audited)	
Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
-	4,137,200	-	3,089,200

#### Loans from Shareholder

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\$2,637,200 <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\$2,637,200 <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 29 December 2023, 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\$2,637,200 <sup>(1)</sup>) respectively to after 30 June 2025.

On 14 August 2023, the Company entered into an interest free and unsecured loan agreement of S\$1,100,000 with a controlling shareholder of the Company, who is also the Chief Executive Officer of the Company’s wholly-owned subsidiary, Moonstake Pte Ltd. On 29 December 2023, the Company entered into an agreement with the controlling shareholder of the Company to extend the repayment date of the interest free loan of S\$1,100,000 to after 30 June 2025.

<sup>(1)</sup> US\$2,000,000 @ USD/SGD closing rate of 1.3186 as at 31 December 2023

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### 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 December 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	1,964,713	1,996,756

The Group engaged Cushman & Wakefield VHS Pte Ltd (“**C&W**”) to perform the valuation of its convertible notes for FY 2022 in accordance with SFRS(I) 13 Fair Value Measurement. Based on the valuation report dated 31 March 2023 issued by C&W, the Group and the Company recognised a fair value less transaction cost of \$1,996,756 on initial recognition.

#### **Accounting policy for convertible notes**

The Group’s convertible notes (“**notes**”) are classified as financial liabilities as the group has a contractual obligation to either settle the accrued interest in cash or deliver a variable number of its own equity instruments. Whilst the terms of the convertible notes contain a conversion feature (i.e. potential settlement in cash or shares), the number of shares required to be issued on redemption is based on the carrying value of the notes at maturity/ redemption.

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### 17. Convertible Notes (Cont'd)

#### Accounting policy for convertible notes (Cont'd)

Therefore, as either cash or a variable number of shares will be issued to extinguish a fixed liability amount, the conversion feature does not contain a derivative as the value of the conversion feature does not vary in response to a change in the Group's share price over the term of the notes. As a result, the entire balance of the convertible notes is classified as a debt instrument and initially recognised at fair value of the consideration received, net of transaction costs.

Subsequent to initial recognition, the convertible notes are measured at amortised cost using the effective interest method with the increase in the liability due the passage of time recognised as a finance cost in profit or loss. Interest expense is calculated by applying the effective interest rate of 3.50% determined based on the relative series and passage of time to maturity/ redemption of the note.

### 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 December 2023</b>		<b>31 December 2022</b>	
	<b>(Unaudited)</b>		<b>(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.

There is no change in share capital from 30 September 2023 to 31 December 2023.

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

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### 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 a conversion price subject to the timing of conversion. Please refer to paragraph 17 for details.

Based on the initial minimum conversion price of S\$0.0692 per share, with an agreed fixed exchange rate of US\$1.00 = S\$1.35 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 December 2023 (31 December 2022: 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 December 2023 (Unaudited)</b>	<b>As at 31 December 2022 (Audited)</b>
Total number of issued shares	187,360,841	187,222,569

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

**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.

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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.

	Group			
	3 months ended 31 December		12 months ended 31 December	
	4Q 2023	4Q 2022	FY 2023	FY 2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Profit/ (loss) attributable to the owners of the Group (S\$)	261,817	(8,030,792)	(1,031,859)	(12,558,963)
Weighted average number of ordinary shares in issue	187,360,841	187,222,569	187,338,896	187,122,977
Basic profit/ (loss) per share (cents)	0.14	(4.29)	(0.55)	(6.71)
Weighted average number of ordinary shares (diluted) in issue	187,360,841	187,222,569	187,338,896	187,122,977
Diluted profit/ (loss) per share (cents)	0.14	(4.29)	(0.55)	(6.71)

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 December 2023 and 31 December 2022 respectively.

## 20. Net Liability 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:-

- Current period reported on; and
- Immediately preceding financial year.

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net liability value (S\$)	(3,705,536)	(2,699,864)	(2,388,267)	(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)	(1.98)	(1.44)	(1.27)	(1.29)

## 21. Subsequent Events

In February 2024, the Group terminated the lease for office premise at LTC Building D along 16 Arumugam Road and entered into a 2-year lease to rent an office premises at LTC Building C along 14 Arumugam Road.

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### 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.**

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

Not applicable as the audit opinion for FY 2022 was issued based on material uncertainty relating to going concern.

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 December 2023 ("FY 2023") and 31 December 2022 ("FY 2022")**

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

#### **Financial Performance – FY 2023 vs FY 2022**

##### Revenue

The overall revenue decreased by approximately S\$2.2 million or 61.7% to approximately S\$1.4 million in FY 2023, from approximately S\$3.6 million in FY 2022. The revenue from staking services registered was lower by approximately S\$2.0 million from approximately S\$3.4 million in FY 2022 to approximately S\$1.4 million in FY 2023, mainly attributable to (i) lower digital wallets and staking services by approximately S\$1.0 million as a result of lower average market prices of crypto assets for the financial year and lower demand for digital wallets and staking services due to weakened cryptocurrency market in FY 2023 compared to FY 2022, and (ii) lower research and development services by approximately S\$1.0 million, from approximately S\$1.4 million in FY 2022 to approximately S\$0.4 million in FY 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 FY 2023 as compared to FY 2022.

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Project revenue decreased by approximately S\$0.1 million in FY 2023 as compared to FY 2022 following the disposal and dissolution of the mechanical and electrical services business segment in 2022.

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

The overall gross profit was approximately S\$1.1 million in FY 2023, which decreased by approximately S\$1.7 million from approximately S\$2.8 million in FY 2022. The overall GPM increased from 79.3% in FY 2022 to 83.6% in FY 2023. The margin expansion was partly due to the absence of the operation of mechanical and electrical services business segment since Q4 2022, which reported a gross loss in FY 2022.

The overall gross profit generated in FY 2023 was contributed by the blockchain technology services, of which the GPM was approximately 83.6% in FY 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\$0.2 million from approximately S\$0.8 million in FY 2022 to approximately S\$1.0 million in FY 2023. This was primarily attributable to (i) reversal of impairment loss on crypto assets of approximately S\$0.9 million (FY 2022: impairment loss of approximately S\$3.6 million recorded under other operating expenses) due to improved crypto asset prices as at 31 December 2023 as compared to that as at 31 December 2022, and (ii) reversal of tax liability of approximately S\$0.1 million incurred by a fully dissolved subsidiary DLF Pte Ltd due to waiver obtained from IRAS. The increase was partially offset by (i) absence of gain on liquidation of subsidiary in FY 2023 (FY 2022: S\$0.31 million), (ii) lower government grants received by approximately S\$0.13 million, (iii) absence of over accrued expenses written off in FY 2023 (FY 2022: S\$0.32 million, and (iv) absence of reversal of impairment for other receivables in FY 2023 (FY 2022: S\$0.02 million).

### Operating Expenses

Selling and distribution expenses were approximately S\$0.04 million in FY 2023, decreased by approximately S\$1.82 million as compared to FY 2022. The selling and distribution expenses in FY 2023 mainly comprised marketing consultancy and advertising services of approximately S\$0.04 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\$3.0 million in FY 2023, which decreased by approximately S\$1.6 million from approximately S\$4.6 million in FY 2022. The decrease in the administrative expenses was mainly attributable to (i) lower staff costs by approximately S\$0.8 million due to lower headcount in FY 2023 as compared to FY 2022 following the cost cutting measures implemented as well as the cessation of mechanical and electrical engineering services business segment, (ii) lower professional fees by approximately S\$0.3 million, (iii) lower outsourcing fees incurred for product development by approximately S\$0.4 million, (iv) lower software maintenance expense by approximately S\$0.05 million, (v) lower recruitment expenses by approximately S\$0.06 million, (vi) lower office supplies and amenities by approximately S\$0.04 million, and (vii) lower travelling and transport expense by approximately S\$0.03 million. The decrease was partially offset by higher software amortisation cost by approximately S\$0.15 million.

Other operating expenses were approximately S\$0.07 million in FY 2023, which decreased by approximately S\$9.73 million from approximately S\$9.8 million in FY 2022. The decrease in the other operating expenses in FY 2023 was mainly attributable to (i) absence of impairment loss on goodwill (FY 2022: S\$5.4 million), (ii) lower loss on disposal of crypto assets by approximately S\$0.7 million (FY 2022: S\$0.8 million), and (iii) absence of impairment loss on crypto assets in FY 2023 (FY 2022: S\$3.6 million). In FY 2023, reversal of impairment loss for crypto assets of approximately S\$0.9 million was recorded under other operating income.

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### Finance costs

The finance costs incurred were S\$2,450 in FY 2023 (FY 2022: S\$1,270) for office lease commenced on September 2022 and accrued interest for the convertible notes issued on 30 December 2022 of S\$70,402 in FY 2023 (FY 2022: S\$193).

### Income tax expenses

The Group incurred income tax expenses of S\$3,105 in FY 2023 (FY 2022: S\$Nil) due to additional tax assessment raised by IRAS for OIO Singapore Pte Ltd for the year of assessment 2021.

### Total comprehensive loss for the period

The resulting comprehensive loss for the twelve months under review decreased by approximately S\$11.3 million to a loss of approximately S\$1.1 million in FY 2023 from a loss of approximately S\$12.4 million in FY 2022.

## **Financial Performance – 4Q 2023 vs 4Q 2022**

### Revenue

The overall revenue decreased by approximately S\$0.1 million or 32.4% to approximately S\$0.2 million in 4Q 2023, from approximately S\$0.3 million in 4Q 2022. The revenue from staking services registered was lower by approximately S\$0.1 million from approximately S\$0.3 million in 4Q 2022 to approximately S\$0.2 million in 4Q 2023, mainly attributable to lower digital wallets and staking services by approximately S\$0.1 million as a result of lower amount of crypto assets staked by users.

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

The overall gross profit was approximately S\$0.14 million in 4Q 2023, which decreased by S\$0.07 million from approximately S\$0.21 million in 4Q 2022. The overall GPM decreased from 69.3% in 4Q 2022 to 68.5% in 4Q 2023. The margin erosion was mainly due to the lower revenue registered for staking services.

The overall gross profit generated in 4Q 2023 was contributed by the blockchain technology services, of which the GPM was approximately 68.5% in 4Q 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\$0.61 million, from approximately S\$0.24 million in 4Q 2022 to approximately S\$0.85 million in 4Q 2023. This was primarily attributable to (i) a reversal of impairment loss on crypto assets of approximately S\$0.72 million (4Q 2022: impairment loss of approximately S\$0.96 million recorded under other operating expenses) following higher crypto asset prices as at 31 December 2023 as compared to that of 30 September 2023, (ii) reversal of tax liability of approximately S\$0.1 million incurred by a fully dissolved subsidiary DLF Pte Ltd due to waiver obtained from IRAS and (iii) absence of reclassification of gain on disposal of subsidiary to statement of changes in equity in 4Q 2023 (4Q 2022: S\$0.14 million). The increase was partly offset with (i) absence of over accrued expenses written off in FY 2023 (FY 2022: S\$0.32 million), and (ii) lower government grant by approximately S\$0.01 million.

### Operating Expenses

Selling and distribution expenses was approximately S\$0.02 million in 4Q 2023, decreased by approximately S\$0.5 million as compared to 4Q 2022. 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 no marketing expenses incurred.

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Administrative expenses were approximately S\$0.80 million in 4Q 2023, which decreased by approximately S\$0.7 million from approximately S\$1.5 million in 4Q 2022. The decrease in the administrative expenses was mainly attributable to (i) lower staff costs by approximately S\$0.5 million due to lower headcount, (ii) lower professional fees by approximately S\$0.15 million, and (iii) lower software maintenance fee by approximately S\$0.06 million.

Other operating expenses in 4Q 2023 of approximately S\$0.1 million was mainly a net foreign exchange gain. Other operating expenses decreased by approximately S\$6.5 million from approximately S\$6.4 million in 4Q 2022, mainly due to (i) absence of impairment loss on goodwill (4Q 2022: S\$ 5.4 million), (ii) absence of loss on disposal of crypto assets of approximately S\$0.09 million (4Q 2023: gain on disposal of crypto assets of S\$11), and (iii) absence of impairment loss on crypto assets (4Q 2022: S\$0.96 million). In 4Q 2023, reversal of impairment loss for crypto assets of approximately S\$0.72 million was recorded under other operating income.

### Finance costs

The finance costs incurred were S\$423 in 4Q 2023 (4Q 2022: S\$932) for office lease commenced on September 2022 and accrued interest for the convertible notes issued on 30 December 2022 of S\$17,745 in 4Q 2023 (4Q 2022: S\$193).

### Income tax expenses

The Group incurred income tax expenses of S\$3,105 in 4Q 2023 (4Q 2022: S\$Nil) due to additional tax assessment raised by IRAS for OIO Singapore Pte Ltd for the year of assessment 2021.

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

The total comprehensive income for the three months under review improved by approximately S\$8.5 million to a profit of approximately S\$0.2 million in 4Q 2023 from a loss of approximately S\$8.3 million in 4Q 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 December 2023 from approximately S\$4.6 million as at 31 December 2022. The increase was mainly due to increase in value of crypto assets of approximately S\$0.4 million and a net increase in software development cost of S\$0.1 million following the capitalisation of additional costs. Increased in non-current assets was partly offset by lower right-of-use assets by approximately S\$0.05 million following the utilisation of the lease contract.

Current assets decreased by approximately S\$2.3 million to approximately S\$0.6 million as at 31 December 2023 from approximately S\$2.9 million as at 31 December 2022. The decrease was mainly due to a reduction in cash and bank balances of approximately S\$2.2 million following the payment made for business operations in FY 2023. Please refer to the cashflow analysis below for details on the changes in cash and bank balance.

Non-current liabilities decreased by approximately S\$1.1 million to approximately S\$6.3 million as at 31 December 2023 from approximately S\$7.4 million as at 31 December 2022. The decrease was mainly due to (i) convertible loan of approximately S\$2.0 million was classified to current liabilities when it is expected to mature on 29 December 2024, (ii) lower contract liabilities by approximately S\$0.04 million following the fulfilment of contract obligations and (iii) lower lease liabilities by approximately S\$0.04 million following the payment for lease liabilities. The decrease was partly offset by S\$1.1 million interest free shareholder's loan obtained in August 2023.

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Current liabilities increased by approximately S\$0.2 million to approximately S\$3.1 million as at 31 December 2023 from approximately S\$2.9 million as at 31 December 2022. The increase was mainly due to convertible loan of approximately S\$2.0 million was classified as current liabilities when it is expected to mature on 29 December 2024. It was recognised as non-current liability as at 31 December 2022. The increase was off-set by (i) reduction in trade and other payables by approximately S\$1.3 million following the repayment of trade payables and other payables, (ii) decrease in contract liabilities of approximately S\$0.3 million following the fulfilment of contract obligation and (iii) decrease in tax liabilities of S\$0.1 million due to a tax waiver obtained from IRAS.

As a result, the Group recorded a negative working capital of approximately S\$2.4 million as at 31 December 2023 as compared to a positive working capital of approximately S\$0.1 million as at 31 December 2022.

The shareholders' equity decreased by approximately S\$1.0 million from a deficit of approximately S\$2.7 million as at 31 December 2022 to a deficit of approximately S\$3.7 million as at 31 December 2023. This was primarily attributable to the total comprehensive loss recorded for the current financial year of approximately S\$1.0 million.

Notwithstanding the negative 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\$40,574 to be recognised to profit or loss over the remaining period of the agreement (included in contract liabilities);
- (b) The crypto-currencies of S\$1,655,792 which can be converted to fiat currencies are included in the intangible assets in the non-current assets;
- (c) The convertible notes (as detailed in Note 17 of the notes to the Condensed Consolidated Financial Statements) 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;
- (d) In August 2023, the Company obtained a S\$1.1 million interest free loan from a controlling shareholder of the Company, who is also the Chief Executive Officer of the Company's wholly-owned subsidiary, Moonstake Pte Ltd. This loan is repayable within 7 days after 30 November 2024, unless the Lender agrees in writing to grant the Company further extension of the credit term and to postpone the maturity date. On 29 December 2023, the Company entered into an agreement with the controlling shareholder of the Company to extend the repayment date of the interest free loan to after 30 June 2025;
- (e) A controlling shareholder of the Company (mentioned in (d) above) has agreed to provide continuing financial support to the Group and the Company for at least twelve (12) months from 22 February 2024 to enable the Group and the Company to meet their obligations as and when they fall due; and
- (f) 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.

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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**

#### **FY 2023 vs FY 2022**

The Group's net cash outflow in operating activities was approximately S\$3.2 million in FY 2023. This consisted of cash used in operating activities before changes in working capital of approximately S\$1.7 million, and net working capital outflow of approximately S\$1.5 million. It was noted that Moonstake Group received a part of its revenue in crypto of approximately S\$0.6 million during FY 2023 which was accounted under intangible assets as at 31 December 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 FY 2023, primarily due to proceeds received from conversion of crypto assets into fiat money of approximately S\$0.77 million, partly offset by payment of software development costs of approximately S\$0.66 million.

A net cash inflow of approximately S\$1.05 million was recorded in financing activities in FY 2023. This was mainly due to proceeds from an interest free shareholder's loan of S\$1.1 million obtained in August 2023, offset by payment of lease liabilities of approximately S\$0.05 million.

#### **4Q 2023 vs 4Q 2022**

The Group's net cash outflow in operating activities was approximately S\$0.2 million in 4Q 2023. This consisted of cash used in operating activities before changes in working capital of approximately S\$0.5 million, and net working capital inflow of approximately S\$0.3 million. It was noted that Moonstake Group received a part of its revenue in crypto of approximately S\$0.1 million during 4Q 2023 which was accounted under intangible assets as at 31 December 2023 and not treated as cash and cash equivalents for accounting purposes.

A net cash outflow of approximately S\$0.05 million was recorded in investing activities in 4Q 2023 due to the payment of software development costs of approximately S\$0.05 million.

A net cash outflow of approximately S\$0.01 million was recorded in financing activities in 4Q 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.**

Following the Ethereum's Shanghai Upgrade in April 2023, liquid staking has become a possibility in the ecosystem, enabling staked coins to be transacted. This could potentially push broader mainstream adoption and market stability over the long term as liquid staking resembles traditional financial instruments familiar to investors, in terms of yield opportunities and risk profile<sup>1</sup>.

Recently, staking demand has normalised as indicated by the clearing out of the validator queue. Staked ether is yielding around 3.5% and is expected to remain steady according to Coinbase<sup>2</sup>. The upcoming protocol update, Dencun, is expected to take place in the first half of 2024 and is seen as a potential catalyst. The introduction of Proto-Danksharding will increase Ethereum's transaction throughput and scalability<sup>3</sup>. With that, we could see an all-around improvement in terms of network efficiency, which ultimately results in an increase in participation and staking demand.

On 11 January 2024, the Securities and Exchange Commission ("SEC") approved 11 applications for Bitcoin exchanged-traded funds ("ETF"). The list of ETF issuers includes industry giants such as BlackRock, Fidelity, Invesco and so on<sup>4</sup>. The approval of Bitcoin ETF by the SEC is a monumental moment in the evolution of crypto assets. The move democratizes access to a much larger pool of investors and is a huge step forward to the institutionalization of cryptocurrency.

As the industry goes through the 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 does not hold or acquire crypto assets for speculative purposes and is adopting a prudent risk management approach to mitigate the market price risk of crypto assets.

In August 2023, the Group obtained a S\$1,100,000 interest free and unsecured loan from a controlling shareholder of the Company. 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.

**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.

<sup>1</sup> <https://www.coindesk.com/consensus-magazine/2023/09/29/where-liquid-staking-meets-tokenization/>

<sup>2</sup> <https://cryptopotato.com/ether-staking-yields-slow-as-validator-queue-empties-post-shanghai-upgrade-coinbase/>

<sup>3</sup> <https://crypto.com/research/ethereum-proto-danksharding-dencun>

<sup>4</sup> <https://www.reuters.com/technology/bitcoin-etf-hopefuls-still-expect-sec-approval-despite-social-media-hack-2024-01-10/>

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- (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 year ended 31 December 2023 in view of the loss incurred during the financial year and 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.

- 30. In the review of the performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to the Paragraph 24 above for details.

- 31. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable. There was no dividend declared for FY 2023 and FY 2022.

- 32. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to a director or chief executive officer or substantial shareholder of the Company pursuant to Catalist Rule 704(10).

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

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 rate of 1.3446 as at 6 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 has not commenced its business operation, and the capital injection to OIO Vietnam has not been made by the Company. Due to business uncertainty and high costs involved in setting up and maintaining a new business under OIO Vietnam, the Company is in the process of closing down OIO Vietnam to conserve cash and to fulfil working capital requirements of the Group. 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 FY 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 December 2023.

On 14 May 2023, DLF Pte Ltd and DLF Prosper Venture Pte Ltd were fully dissolved and ceased to be subsidiaries 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 December 2023.

### 34. **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 Catalyst 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 Catalyst Listing Manual.

## BY ORDER OF THE BOARD

Yusaku Mishima

Executive Chairman

23 February 2024

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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.*

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