

OIO HOLDINGS LIMITED

Company Registration No. 201726076W

Unaudited Condensed Interim Financial Statements

For the Third Quarter and Nine Months Period Ended 30 September 2021

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, its subsidiaries and (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 2020.

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INFORMATION REQUIRED FOR ANNOUNCEMENT OF THIRD QUARTER RESULTS

A. Condensed Interim Consolidated Income Statement and Other Comprehensive Income

	Note	Group					
		3 months ended 30 September			9 months ended 30 September		
		3Q 2021	3Q 2020	Change	9M 2021	9M 2020	Change
		(Unaudited) S\$	(Unaudited) S\$	%	(Unaudited) S\$	(Unaudited) S\$	%
Revenue	4	2,017,482	267,924	653.0	3,658,595	945,749	286.8
Cost of sales		(192,066)	(220,214)	(12.8)	(597,978)	(495,193)	20.8
Gross profit		1,825,416	47,710	N.M	3,060,617	450,556	579.3
Other operating income		475,600	37,248	N.M	569,019	266,832	N.M
Selling and distribution expenses		(509,678)	(83,257)	N.M	(974,354)	(129,469)	N.M
Administrative expenses		(1,091,414)	(322,385)	N.M	(2,270,448)	(1,184,816)	91.6
Other operating expenses		98,042	-	N.M	(129,269)	(49,393)	N.M
Result from operation		797,966	(320,684)	N.M	255,565	(646,290)	N.M
Finance costs		(579)	(9,197)	(93.7)	(1,956)	(56,372)	(96.5)
Profit/ (Loss) before taxation	6	797,387	(329,881)	N.M	253,609	(702,662)	N.M
Income tax expense	7	(13,382)	-	N.M	(108,286)	(5,893)	N.M
Profit/ (Loss) for the financial period		784,005	(329,881)	N.M	145,323	(708,555)	N.M
Other comprehensive income							
<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)		44,635	-	N.M	84,250	-	N.M
Total other comprehensive profit/ (loss) for the period		828,640	(329,881)	N.M	229,573	(708,555)	N.M
Profit/ (Loss) attributable to:							
Owners of the Company		776,885	(328,953)	N.M	158,013	(707,627)	N.M
Non-Controlling interests ("NCI")		7,120	(928)	N.M	(12,690)	(928)	N.M
		784,005	(329,881)	N.M	145,323	(708,555)	N.M
Total comprehensive profit/ (loss) attributable to:							
Owners of the Company		821,520	(328,953)	N.M	242,263	(707,627)	N.M
Non-Controlling interests ("NCI")		7,120	(928)	N.M	(12,690)	(928)	N.M
		828,640	(329,881)	N.M	229,573	(708,555)	N.M

N.M denotes not meaningful

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B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30 September 2021 (Unaudited) S\$	31 December 2020 (Audited) S\$	30 September 2021 (Unaudited) S\$	31 December 2020 (Audited) S\$
ASSETS					
Non-current assets					
Investment in subsidiaries	8	-	-	9,124,111	1
Intangible assets	9	11,645,264	-	-	-
Property, plant and equipment	10	9,206	30,188	4,471	3,198
Right-of-use assets		22,321	57,850	-	-
Deferred tax assets		-	96,489	-	-
Total non-current assets		11,676,791	184,527	9,128,582	3,199
Current assets					
Trade and other receivables		251,929	111,629	327,480	20,257
Cash and bank balances		4,047,501	338,369	2,216,039	94,084
Total current assets		4,299,430	449,998	2,543,519	114,341
Total assets		15,976,221	634,525	11,672,101	117,540
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	15.1	20,410,817	9,499,017	20,410,817	9,499,017
Reserves		(2,779,104)	(2,621,264)	(242,090)	-
Accumulated losses		(10,498,829)	(10,656,842)	(15,233,106)	(13,878,917)
Total equity attributable to owners of the Company		7,132,884	(3,779,089)	4,935,621	(4,379,900)
Non-controlling interests		(57,061)	(44,371)	-	-
Total equity		7,075,823	(3,823,460)	4,935,621	(4,379,900)
LIABILITIES					
Non-current liabilities					
Trade and other payables		-	850,000	-	850,000
Provision for contingent liability	12	1,518,023	-	-	-
Lease liabilities		28,902	38,047	-	-
Loan from shareholders	14	3,422,200	700,000	3,422,200	700,000
Total non-current liabilities		4,969,125	1,588,047	3,422,200	1,550,000
Current liabilities					
Trade and other payables		2,686,624	1,795,286	3,314,280	2,447,440
Deferred revenue	11	787,084	-	-	-
Lease liabilities		11,959	36,583	-	-
Loan from shareholders	14	-	500,000	-	500,000
Current tax liabilities		445,606	538,069	-	-
Total current liabilities		3,931,273	2,869,938	3,314,280	2,947,440
Total liabilities		8,900,398	4,457,985	6,736,480	4,497,440
Total equity and liabilities		15,976,221	634,525	11,672,101	117,540

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C. Condensed Interim Consolidated Statement of Cash Flows

	Note	Group			
		3 months ended		9 months ended	
		30 September		30 September	
		3Q 2021	3Q 2020	9M 2021	9M 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		S\$	S\$	S\$	S\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/ (Loss) before income tax		797,387	(329,881)	253,609	(702,662)
Adjustments for:					
Amortisation of software development	6.1	119,048	-	155,800	-
Crypto assets received as revenue		(1,850,956)	-	(2,688,669)	-
Crypto asset payments for expenses		298,056	-	534,300	-
Depreciation of property, plant and equipment	6.1	8,674	16,852 ⁽¹⁾	26,141	44,519 ⁽¹⁾
Depreciation of right-of-use assets	6.1	9,867	12,831 ⁽¹⁾	35,529	49,067 ⁽¹⁾
Early loan redemption charges	6.1	-	-	-	9,795
Reversal of impairment loss/ (Impairment loss) on crypto assets	6.1	(134,232)	-	13,536	-
Interest expense	6.1	579	9,197	1,956	46,577
Loss on disposal of crypto assets	6.1	35,403	-	114,304	-
Other receivables written off	6.1	642	-	642	-
Reversal of impairment loss on right-of-use assets	6.1	-	-	-	(54,320)
Reversal of impairment loss on trade receivables	6.1	(642)	-	-	(141,433)
Reversal of impairment loss on other receivables	6.1	(40,000)	-	(40,000)	-
Loss on disposal of right-of-use assets	6.1	-	-	-	49,393
Operating loss before working capital changes		(756,174)	(291,001)	(1,592,852)	(699,064)
Change in contract work-in-progress		-	-	-	112,000
Change in trade and other receivables		19,736	(387,281)	(67,746)	(66,190)
Change in trade and other payables		(609,417)	(249,750)	(592,186)	696,563
Net cash (used in)/ generated from operations		(1,345,855)	(928,032)	(2,252,784)	43,309
Income tax paid		(34,059)	-	(105,846)	-
Net cash (used in)/ generated from operating activities		(1,379,914)	(928,032)	(2,358,630)	43,309
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions of software development costs		(204,165)	-	(204,165)	-
Cash acquired via acquisition of subsidiaries settled in consideration shares ⁽³⁾		-	-	98,386	-
Disposal of crypto assets		271,165	-	290,976	-
Proceeds from disposal of right-of-use assets		-	-	-	233,352
Purchase of property, plant and equipment		(1,296)	-	(5,159)	(4,124)
Net cash generated from investing activities		65,704	-	180,038	229,228
CASH FLOWS FROM FINANCING ACTIVITIES					
Early loan redemption charges		-	-	-	(9,795)
Interest paid		(579)	(9,197)	(1,956)	(46,577)
Proceeds from issuance of convertible notes		-	-	3,229,420	-
Proceeds from issuance of shares		537,800	-	537,800	-
Proceeds from shareholder's loan		-	-	2,694,400	500,000
Repayment of bank borrowings		-	-	-	(576,756)
Repayment of lease liabilities		(8,676)	(22,781) ⁽²⁾	(34,704)	(104,223) ⁽²⁾
Repayment of loan from shareholder		(400,000)	-	(500,000)	-
Net cash generated from/ (used in) financing activities		128,545	(31,978)	5,924,960	(237,351)
Net (decrease)/ increase in cash and cash equivalents		(1,185,665)	(960,010)	3,746,368	35,186
Cash and cash equivalents at beginning of financial period		5,279,646	597,682	338,369	(397,514)
Effects of exchange rate changes on cash and cash equivalents		(46,480)	-	(37,236)	-
Cash and cash equivalents at end of financial period		4,047,501	(362,328)	4,047,501	(362,328)
Cash and bank balances		4,047,501	183,866	4,047,501	183,866
Less: Bank overdraft		-	(546,194)	-	(546,194)
Net cash and bank balances		4,047,501	(362,328)	4,047,501	(362,328)

⁽¹⁾ Depreciation of right-of-use asset was reclassified from depreciation of property, plant and equipment during financial year-end audit for FY2019.

⁽²⁾ Finance lease liabilities were reclassified to lease liabilities during financial year-end audit for FY2019.

⁽³⁾ Acquisition of the entire share capital of Moonstake Pte Ltd was fully satisfied by issuance of the consideration shares by the Company. Refer to Note 13 and Note 15.1 for further details.

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D. Condensed Interim Statements of Changes in Equity

Group (Unaudited)	Note	Share capital S\$	Other reserves S\$	Foreign currency reserves S\$	Accumulated losses S\$	Equity attributable to owners of the parent S\$	Non- controlling interests S\$	Total equity S\$
9M 2021								
Balance as at 1 January 2021		9,499,017	(2,888,997)	267,733	(10,656,842)	(3,779,089)	(44,371)	(3,823,460)
Profit for the period		-	-	-	158,013	158,013	(12,690)	145,323
Capital reserve from acquisition of subsidiaries		-	(242,090)	-	-	(242,090)	-	(242,090)
Foreign currency translation differences		-	-	84,250	-	84,250	-	84,250
Total comprehensive (loss)/ profit for the period		-	(242,090)	84,250	158,013	173	(12,690)	(12,517)
Distribution to shareholders								
Issuance of new ordinary shares	15.1	10,911,800	-	-	-	10,911,800	-	10,911,800
Balance as at 30 September 2021		20,410,817	(3,131,087)	351,983	(10,498,829)	7,132,884	(57,061)	7,075,823
9M 2020								
Balance as at 1 January 2020		9,499,017	(2,888,997)	267,733	(9,817,924)	(2,940,171)	26,100	(2,914,071)
Loss for the period		-	-	-	(707,627)	(707,627)	(928)	(708,555)
Total comprehensive loss for the period		-	-	-	(707,627)	(707,627)	(928)	(708,555)
Balance as at 30 September 2020		9,499,017	(2,888,997)	267,733	(10,525,551)	(3,647,798)	25,172	(3,622,626)
3Q 2021								
Balance as at 1 July 2021		19,873,017	(3,131,087)	307,348	(11,275,714)	5,773,564	(64,181)	5,709,383
Profit for the period		-	-	-	776,885	776,885	7,120	784,005
Foreign currency translation differences		-	-	44,635	-	44,635	-	44,635
Total comprehensive profit for the period		-	-	44,635	776,885	821,520	7,120	828,640
Distribution to shareholders								
Issuance of new ordinary shares	15.1	537,800	-	-	-	537,800	-	537,800
Balance as at 30 September 2021		20,410,817	(3,131,087)	351,983	(10,498,829)	7,132,884	(57,061)	7,075,823
3Q 2020								
Balance as at 1 July 2020		9,499,017	(2,888,997)	267,733	(10,196,598)	(3,318,845)	26,100	(3,292,745)
Loss for the period		-	-	-	(328,953)	(328,953)	(928)	(329,881)
Total comprehensive loss for the period		-	-	-	(328,953)	(328,953)	(928)	(329,881)
Balance as at 30 September 2020		9,499,017	(2,888,997)	267,733	(10,525,551)	(3,647,798)	25,172	(3,622,626)

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

Company (Unaudited)	Note	Share capital S\$	Other reserves S\$	Accumulated Losses S\$	Total equity S\$
9M 2021					
Balance as at 1 January 2021		9,499,017	-	(13,878,917)	(4,379,900)
Loss for the period		-	-	(1,354,189)	(1,354,189)
Capital reserve from acquisition of subsidiaries		-	(242,090)	-	(242,090)
Total comprehensive loss for the period		-	(242,090)	(1,354,189)	(1,596,279)
Distribution to shareholders					
Issuance of new ordinary shares	15.1	10,911,800	-	-	10,911,800
Balance as at 30 September 2021		20,410,817	(242,090)	(15,233,106)	4,935,621
9M 2020					
Balance as at 1 January 2020		9,499,017	-	(12,283,903)	(2,784,886)
Loss for the period		-	-	(627,716)	(627,716)
Total comprehensive loss for the period		-	-	(627,716)	(627,716)
Balance as at 30 September 2020		9,499,017	-	(12,911,619)	(3,412,602)
3Q 2021					
Balance as at 1 July 2021		19,873,017	(242,090)	(14,681,636)	4,949,291
Loss for the period		-	-	(551,470)	(551,470)
Total comprehensive loss for the period		-	-	(551,470)	(551,470)
Distribution to shareholders					
Issuance of new ordinary shares	15.1	537,800	-	-	537,800
Balance as at 30 September 2021		20,410,817	(242,090)	(15,233,106)	4,935,621
3Q 2020					
Balance as at 1 July 2020		9,499,017	-	(12,635,198)	(3,136,181)
Loss for the period		-	-	(276,421)	(276,421)
Total comprehensive loss for the period		-	-	(276,421)	(276,421)
Balance as at 30 September 2020		9,499,017	-	(12,911,619)	(3,412,602)

E. Notes to The Condensed Interim Consolidated Financial Statements

1. Corporate information

The Company is incorporated as a private company and domiciled in the Republic of Singapore. The Company was listed on 25 July 2018 in the Catalist Board of the SGX-ST. These condensed interim consolidated financial statements as at and for the nine months ended 30 September 2021 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Group are:-

- (a) Mechanical and electrical engineering services segment relates to provision of solutions and services in fire protection systems, plumbing and sanitary systems, and heating, ventilation and air-conditioning systems;
- (b) Management services segment relates to provision of contract work management and fulfilment services;
- (c) Blockchain agency and consulting services relates 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; and
- (d) Staking¹ 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**”.

¹ 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.

2. Basis of preparation

The condensed interim financial statements for the nine months ended 30 September 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

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

2.1 New and amended standards adopted by the Group

The Group and the Company have adopted the new and revised SFRS(I)s, and Interpretations of SFRS(I) ("SFRS(I) INTs") that are effective for the annual period beginning on 1 January 2021. The adoption of these SFRS(I)s and SFRS(I) INTs did not have any significant effect on the financial statements of the Group and the Company.

2.2 Use of judgement and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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 interim period are included in the following notes:

- Notes 4.2 and 4.3 – Revenue recognition
- Notes 8, 9 and 10 – Impairment of non-financial assets (Investment in subsidiaries, Intangible assets, Property, plant and equipment)
- Note 12 – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Note 13 – Acquisition of subsidiary: The fair value of the consideration transferred and the fair value of the assets acquired and liabilities assumed, measured on a provisional basis

3. Seasonal operations

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

4. Segment and revenue information

The Group is organised into the following main business segments in 9M 2021:-

- 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 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>9M 2021</u>	Mechanical and electrical engineering services	Management services	Blockchain technology services ⁽¹⁾	Unallocated	Total
	S\$	S\$	S\$	S\$	S\$
Revenue	378,012	-	3,280,583	-	3,658,595
Segment results	233,057	33,041	1,343,659	(1,354,192)	255,565
Profit/ (Loss) before tax	231,101	33,041	1,343,659	(1,354,192)	253,609
Segment assets	181,783	-	13,616,671	2,177,767	15,976,221
Segment liabilities	1,005,669	7,199	2,798,792	5,088,738	8,900,398
<i>Other information</i>					
Finance costs	(1,956)	-	-	-	(1,956)
Realised foreign exchange (loss)/ gain, net	-	-	(1,345)	2,950	1,605
Unrealised foreign exchange gain/ (loss), net	-	-	3,193	(5,586)	(2,393)
Amortisation of software development	-	-	(155,800)	-	(155,800)
Purchase of property, plant and equipment	-	-	(2,525)	(2,634)	(5,159)
Depreciation of right-of-use assets	(35,529)	-	-	-	(35,529)
Depreciation of property, plant and equipment	(24,148)	-	(631)	(1,362)	(26,141)
Reversal of impairment loss on trade receivables	642	-	-	-	642
Reversal of impairment loss on other receivables	-	40,000	-	-	40,000
Impairment loss on crypto assets	-	-	(13,536)	-	(13,536)
Loss on disposal of crypto assets	-	-	(114,304)	-	(114,304)
Other receivables written off	(642)	-	-	-	(642)

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

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4.1 Reportable segments (Cont'd)

The Group is organised into the following main business segments in 9M 2020:-

- Segment 1: Mechanical and electrical engineering services;
- Segment 2: Turnkey contracting services;
- Segment 3: Management services;
- Segment 4: Blockchain technology services; and
- Segment 5: Unallocated.

Group	Mechanical and electrical engineering services	Turnkey contracting Services ⁽²⁾	Management services	Blockchain technology services ⁽³⁾	Unallocated	Total
9M 2020	S\$	S\$	S\$	S\$	S\$	S\$
Revenue	359,208	-	-	586,541	-	945,749
Segment results	(40,671)	(4,429)	(4,638)	381,101	(977,653)	(646,290)
(Loss)/ Profit before tax	(97,043)	(4,429)	(4,638)	381,101	(977,653)	(702,662)
Segment assets	1,800,858	17,260	526,489	240,000	186,921	2,771,528
Segment liabilities	2,409,247	854,728	61,420	205,440	2,863,319	6,394,154
<i>Other information</i>						
Finance costs	(56,372)	-	-	-	-	(56,372)
Unrealised foreign exchange gain, net	85	30	-	-	30	145
Purchase of property, plant and equipment	-	-	-	-	(4,124)	(4,124)
Depreciation of right-of- use assets	(49,067)	-	-	-	-	(49,067)
Depreciation of property, plant and equipment	(43,937)	-	-	-	(582)	(44,519)
Reversal of impairment loss on right-of-use assets	54,320	-	-	-	-	54,320
Reversal of impairment loss on trade receivables, net	141,433	-	-	-	-	141,433
Loss on disposal of right- of-use assets	(49,393)	-	-	-	-	(49,393)

(2) Turnkey contracting services were liquidated in September 2021.

(3) This segment includes blockchain agency and consulting services.

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4.1 Reportable segments (Cont'd)

<u>Group</u> <u>3Q 2021</u>	Mechanical and electrical engineering services	Management services	Blockchain technology services	Unallocated	Total
	S\$	S\$	S\$	S\$	S\$
Revenue	38,410	-	1,979,072	-	2,017,482
Segment results	230,039	35,601	1,083,797	(551,471)	797,966
Profit/ (Loss) before tax	229,460	35,601	1,083,797	(551,471)	797,387
Segment assets	181,783	-	13,616,671	2,177,767	15,976,221
Segment liabilities	1,005,669	7,199	2,798,792	5,088,738	8,900,398
<i>Other information</i>					
Finance costs	(579)	-	-	-	(579)
Realised foreign exchange gain/ (loss), net	-	-	19	(85)	(66)
Unrealised foreign exchange gain/ (loss), net	-	-	402	(12,755)	(12,353)
Amortisation of software development	-	-	(119,048)	-	(119,048)
Purchase of property, plant and equipment	-	-	-	(1,296)	(1,296)
Depreciation of right-of-use assets	(9,867)	-	-	-	(9,867)
Depreciation of property, plant and equipment	(7,901)	-	(210)	(563)	(8,674)
Reversal of impairment loss on trade receivables	642	-	-	-	642
Reversal of impairment loss on other receivables	-	40,000	-	-	40,000
Reversal of impairment loss on crypto assets	-	-	134,232	-	134,232
Loss on disposal of crypto assets	-	-	(35,403)	-	(35,403)
Other receivables written off	(642)	-	-	-	(642)

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4.1 Reportable segments (Cont'd)

<u>Group</u> <u>3Q 2020</u>	Mechanical and electrical engineering services S\$	Turnkey contracting Services S\$	Management services S\$	Blockchain technology services S\$	Unallocated S\$	Total S\$
Revenue	27,924	-	-	240,000	-	267,924
Segment results	(71,951)	(916)	(4,638)	34,560	(277,739)	(320,684)
(Loss)/ Profit before tax	(81,148)	(916)	(4,638)	34,560	(277,739)	(329,881)
Segment assets	1,800,858	17,260	526,489	240,000	186,921	2,771,528
Segment liabilities	2,409,247	854,728	61,420	205,440	2,863,319	6,394,154
<i>Other information</i>						
Finance costs	(9,197)	-	-	-	-	(9,197)
Unrealised foreign exchange (loss)/ gain, net	(84)	30	-	-	30	(24)
Purchase of property, plant and equipment	-	-	-	-	-	-
Depreciation of right-of- use assets	(12,831)	-	-	-	-	(12,831)
Depreciation of property, plant and equipment	(16,508)	-	-	-	(344)	(16,852)
Reversal of impairment loss on right-of-use assets	-	-	-	-	-	-
Reversal of impairment loss on trade and other receivables, net	-	-	-	-	-	-
Loss on disposal of right- of-use assets	-	-	-	-	-	-

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4.2 Disaggregation of Revenue

	Group		
	Mechanical and electrical engineering services	Blockchain technology Services	Total
	S\$	S\$	S\$
9M 2021			
Rendering of services	378,012	3,280,583	3,658,595
Timing of revenue recognition			
At a point in time	-	3,096,565	3,096,565
Over time	378,012	184,018	562,030
	378,012	3,280,583	3,658,595
Geographical segments			
Singapore	378,012	1,180,517	1,558,529
Others	-	2,100,066	2,100,066
	378,012	3,280,583	3,658,595
9M 2020			
Rendering of services	359,208	586,541	945,749
Timing of revenue recognition			
Over time	359,208	586,541	945,749
Geographical segments			
Singapore	359,208	586,541	945,749
3Q 2021			
Rendering of services	38,410	1,979,072	2,017,482
Timing of revenue recognition			
At a point in time	-	1,888,653	1,888,653
Over time	38,410	90,419	128,829
	38,410	1,979,072	2,017,482
Geographical segments			
Singapore	38,410	88,736	127,146
Others	-	1,890,336	1,890,336
	38,410	1,979,072	2,017,482
3Q 2020			
Rendering of services	27,924	240,000	267,924
Timing of revenue recognition			
Over time	27,924	240,000	267,924
Geographical segments			
Singapore	27,924	240,000	267,924

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4.3 Revenue

	Group			
	3 months ended 30 September		9 months ended 30 September	
	3Q 2021	3Q 2020	9M 2021	9M 2020
	S\$	S\$	S\$	S\$
Mechanical and electrical services	38,410	27,924	378,012	359,208
Blockchain agency and consulting services	-	240,000	102,967	586,541
Staking services	1,979,072	-	3,177,616	-
Total revenue	2,017,482	267,924	3,658,595	945,749

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

(i) Mechanical and electrical engineering works

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;

(ii) Blockchain agency and consulting services ²

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 ³

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.

² Conducted by OIO Singapore Pte Ltd.

³ Conducted by Moonstake Pte Ltd and Moonstake Limited.

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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 as at 30 September 2021 and 31 December 2020:-

	Group		Company	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	S\$	S\$	S\$	S\$
Financial assets at amortised costs				
Trade and other receivables*	202,578	92,148	308,104	17,865
Cash and bank balances	4,047,501	338,369	2,216,039	94,084
	<u>4,250,079</u>	<u>430,517</u>	<u>2,524,143</u>	<u>111,949</u>
Financial liabilities at amortised costs				
Trade and other payables**	2,556,332	2,567,615	3,314,048	3,297,440
Lease liabilities	40,861	74,630	-	-
Loan from shareholders	3,422,200	1,200,000	3,422,200	1,200,000
	<u>6,019,393</u>	<u>3,842,245</u>	<u>6,736,248</u>	<u>4,497,440</u>

* Excluded prepayments and goods and services tax receivable.

** Excluded goods and services tax payable.

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6. Profit/ (Loss) before taxation

6.1 Significant items

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

	Note	Group			
		3 months ended 30 September		9 months ended 30 September	
		3Q 2021 (Unaudited) S\$	3Q 2020 (Unaudited) S\$	9M 2021 (Unaudited) S\$	9M 2020 (Unaudited) S\$
Amortisation of software development	9	(119,048)	-	(155,800)	-
Depreciation on property, plant and equipment		(8,674)	(16,852)	(26,141) ⁽¹⁾	(44,519)
Depreciation on right-of-use assets		(9,867)	(12,831)	(35,529) ⁽¹⁾	(49,067)
Early loan redemption charges		-	-	-	(9,795)
Realised foreign exchange (loss)/ gain, net		(66)	-	1,605	-
Unrealised foreign exchange (loss)/ gain, net		(12,353)	(24)	(2,393)	145
Government grants		56,453	37,241	138,241	70,902
Reversal of impairment loss/ (Impairment loss) on crypto assets	9	134,232	-	(13,536)	-
Interest expenses on bank borrowings		-	(8,144)	-	(42,519)
Interest expenses on lease liabilities		(579)	(1,053)	(1,956)	(4,058)
Loss on disposal of right-of-use assets		-	-	-	(49,393)
Loss on disposal of crypto assets		(35,403)	-	(114,304)	-
Reversal of impairment loss on right-of-use assets		-	-	-	54,320
Reversal of impairment loss on trade receivables		642	-	-	141,433
Reversal of impairment loss on other receivables		40,000	-	40,000	-
Other receivables written off		(642)	-	(642)	-

Note:-

- ⁽¹⁾ Depreciation of right-of-use asset was reclassified from depreciation of property, plant and equipment during the year-end audit for FY2020.

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6.2 Related party transactions

There were no material related party transactions apart from those disclosed elsewhere in the condensed interim financial statements.

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 interim consolidated statement of profit or loss are:-

	Group			
	3 months ended		9 months ended	
	30 September		30 September	
	3Q 2021	3Q 2020	9M 2021	9M 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	S\$	S\$	S\$	S\$
Income tax expense	(13,382)	-	(108,286)	(5,893)

8. Investment in subsidiaries

	Note	Company	
		30 September 2021	31 December 2020
		(Unaudited)	(Unaudited)
		S\$	S\$
<u>Unquoted equity investments, at cost</u>			
At 1 January		1,246,914	1,246,914
Acquisition of subsidiaries ⁽¹⁾	13	6,939,910	-
Additions ⁽²⁾		2,184,200	-
At 30 September		10,371,024	1,246,914
Less: Impairment of investment in subsidiaries		(1,246,913)	(1,246,913)
Investment in subsidiaries - Net		9,124,111	1

(1) On 31 May 2021, the Company acquired Moonstake Pte Ltd (which in-turn owns the entire share capital of Moonstake Limited) with the fair value of the purchase consideration of S\$6,939,910.

(2) In June 2021, the Company increased its investment in Moonstake Pte Ltd by S\$1,984,200 and OIO Singapore Pte Ltd by S\$200,000 respectively.

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9. Intangible Assets

Note	Group			
	Goodwill on Acquisition	Crypto Assets	Software Development	Total
	(Unaudited) S\$	(Unaudited) S\$	(Unaudited) S\$	(Unaudited) S\$
At 30 September 2021				
Cost				
At 1 January 2021	-	-	-	-
Acquisition of subsidiaries	6,884,888	3,582,916	2,205,142	12,672,946
Additions	-	2,688,669	204,165	2,892,834
Disposal	-	(3,509,338)	-	(3,509,338)
Currency translation differences	-	56,732	63,847	120,579
At 30 September 2021	6,884,888	2,818,979	2,473,154	12,177,021
Accumulated Amortisation				
At 1 January 2021	-	-	-	-
Acquisition of subsidiaries	-	-	(347,049)	(347,049)
Additions	6.1	-	(155,800)	(155,800)
Currency translation differences	-	-	(12,319)	(12,319)
At 30 September 2021	-	-	(515,168)	(515,168)
Accumulated Impairment				
At 1 January 2021	-	-	-	-
Additions	6.1	(13,536)	-	(13,536)
Currency translation differences	-	(3,053)	-	(3,053)
At 30 September 2021	-	(16,589)	-	(16,589)
Carrying Amount				
At 30 September 2021	6,884,888	2,802,390	1,957,986	11,645,264

9.1 Goodwill on Acquisition

The Group recognised a goodwill of S\$6,884,888 following the acquisition of new subsidiaries, Moonstake Pte Ltd and Moonstake Limited, on 31 May 2021. Please refer to Note 13 for the details of the acquisition.

9.2 Crypto Assets

The crypto assets held by the Group 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. Impairment expense is reflected in other operating expenses in the consolidated statements of operations. The Group assigns 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.

10. Property, plant and equipment

During the nine months ended 30 September 2021, the Group acquired assets amounting to S\$5,159 (30 September 2020: S\$4,124), and wrote off a fully impaired office equipment amounting to S\$28,500 (30 September 2020: Nil). There was no impact to the profit and loss for the nine months ended 30 September 2021 arising from the asset written off.

11. Deferred revenue

Deferred revenue comprises an agency service fee collected in advance. The Group recognizes the deferred revenue to profit or loss over the remaining period of the agreement.

12. Provision for contingent liability

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\$1.5 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 principle amounts with the Original Loans from the third party. The revenue sharing obligations are recognised as the provision for contingent liability.

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13. Acquisition of subsidiaries

On 31 May 2021, the Company acquired the entire issued share capital in Moonstake Pte Ltd for an aggregate consideration of S\$7,182,000. Moonstake Pte Ltd in-turn owns the entire issued share capital of its subsidiary, Moonstake Limited. The aggregate consideration was arrived at an arm's length basis between the vendor and Company after an assessment of the MS Group's financial position. Roma Appraisals Limited (the "**Independent Valuer**"), was commissioned by the Company to provide an independent valuation of the MS Group.

The aggregate consideration of S\$7,182,000 was satisfied by the issuance of 40,348,314 ordinary shares in the Company to the vendor at an issue price of S\$0.178 per consideration share. The fair valuation of the consideration share was assessed to be S\$6,939,910, or S\$0.172 per consideration share based on valuation derived from the purchase price allocation exercise performed by Roma Appraisals Limited.

Moonstake Pte Ltd's principal activities include (i) management of the MS Group; (ii) holding and managing the intellectual property rights related to the MS Group's businesses; (iii) sales and marketing activities in relation to the staking solutions offered by MS Group to enterprise customers and (iv) staking and blockchain finance related consulting services to enterprise customers. Moonstake Limited's principal activities, on the other hand, include providing digital wallet and staking services to both retail and enterprise customers.

Through the acquisition, the Group is expected to accelerate the growth of the blockchain business from the receipt of additional revenue streams and existing orders of the MS Group, which is in line with its Diversification Mandate in relation to the commercialisation of blockchain-related products.

The Group incurred acquisition related costs of S\$98,041 relating to external legal fees and due diligence costs and these have been classified as 'administrative expenses' in the condensed consolidated statement of profit or loss.

	Note	S\$
<u>Purchase consideration</u>		
Shares consideration ⁽¹⁾	8	6,939,910

⁽¹⁾ 40,348,314 ordinary shares at fair valuation of S\$0.172 per consideration share

Fair values measured on a provisional basis

The fair value of material assets acquired has been determined provisionally pending completion of an independent valuation. If new information obtained within one year from the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts or any additional provisions existed at the date of acquisitions, then the accounting for the acquisition will be revised.

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13. Acquisition of subsidiaries (Cont'd)

The provisional fair value of the identifiable assets and liabilities were:

	Fair Value S\$
Intangible asset – Software development	1,858,093
Intangible asset – Crypto assets	3,582,916
Trade and other receivables	71,137
Cash and cash equivalents	98,386
Trade and other payables	(615,698)
Deferred revenue (Note 11)	(872,229)
Loan in crypto assets ⁽²⁾	(2,528,471)
Contingent liability recognised (Note 12)	(1,539,112)
Net identifiable assets acquired	55,022
Add: Provisional goodwill arising from acquisition	6,884,888
	<u>6,939,910</u>

⁽²⁾ Fully repaid in June 2021.

The provisional goodwill is attributable to the MS Group's strong position and profitability in staking solutions and synergies that are expected to arise after the Company's acquisition of the new subsidiaries.

14. Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 September 2021 (Unaudited)		As at 31 December 2020 (Audited)	
Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
-	-	-	500,000

Amount repayable after one year

As at 30 September 2021 (Unaudited)		As at 31 December 2020 (Audited)	
Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
-	3,422,200	-	700,000

Loans and borrowings

On 7 April 2021, the Group entered into an interest free loan agreement of US\$2,000,000 (S\$2,722,000) with the Company's controlling shareholder, North Ventures Pte Ltd. The repayment date of the interest free loan has been extended to after 15 November 2022.

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14. Aggregate amount of group's borrowings and debt securities (Cont'd)

As at 30 September 2021, there was no borrowing incurred by the Group except for the interest free loans from the Company's controlling shareholder.

During the financial year ended 31 December 2020, the Group made full repayments for the bank borrowings. As at 31 December 2020, there was no borrowing incurred by the Group except for the interest free loans from the Company's controlling shareholders.

15. Share Capital

15.1 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.

	Group and the Company			
	30 September 2021		30 September 2020	
	No. of shares	Amount	No. of shares	Amount
	S\$		S\$	
Issued and paid-up share capital				
At beginning of financial period	121,108,700	9,499,017	121,108,700	9,499,017
Issuance of new ordinary shares ⁽¹⁾	40,348,314	7,182,000	-	-
Conversion of convertible notes ⁽²⁾	17,932,584	3,192,000	-	-
As at 30 June	179,389,598	19,873,017	121,108,700	9,499,017
Issuance of new ordinary shares ⁽³⁾	894,841	537,800	-	-
At end of financial period	180,284,439	20,410,817	121,108,700	9,499,017

⁽¹⁾ On 31 May 2021, the Company issued 40,348,314 ordinary shares ("**Consideration Shares**") at the issue price of S\$0.178 per share for the acquisition of the entire share capital in Moonstake Pte Ltd (which in-turn owns the entire share capital of Moonstake Limited) ("**Moonstake Completion**").

⁽²⁾ Following the Moonstake Completion on 31 May 2021, the Company converted its convertible notes automatically into 17,932,584 fully paid ordinary shares in the capital of the Company ("**Conversion Shares**") at the conversion price of S\$0.178 per Conversion Share ("**Automatic Conversion**").

⁽³⁾ On 28 September 2021, the Company issued 894,841 ordinary shares at the issue price of S\$0.601 per share to finance the Group's business expansion, working capital and general corporate purposes.

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15.1 Share Capital (Cont'd)

The Company did not have any outstanding treasury shares or subsidiary holdings as at 30 September 2021 and 30 September 2020.

Performance Share Plan

On 1 April 2021 and 7 April 2021, the Company announced total awards of 372,830 shares to the employee and the executive director under the performance share plan. The shares to be issued pursuant to the awards are subject to the service condition to be satisfied by respective participants. Once the service condition is satisfied, the shares to be issued pursuant to the awards shall be released to the participants after the respective periods.

15.2 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.

	<u>As at 30 September 2021</u>	<u>As at 31 December 2020</u>
Total number of issued shares	180,284,439	121,108,700

The Company did not have any treasury shares as at 30 September 2021 and 31 December 2020.

15.3 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.

15.4 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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16. 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 30 September		9 months ended 30 September	
	3Q 2021	3Q 2020	9M 2021	9M 2020
Gain/ (loss) attributable to the owners of the Group (S\$)	776,885	(328,953)	158,013	(707,627)
Weighted average number of ordinary shares in issue	179,409,051	121,108,700	147,160,199	121,108,700
Basic and fully diluted gain/ (loss) per share (cents)	0.43	(0.27)	0.11	(0.58)

The basic and diluted gain/ (loss) per share were the same as the Company did not have any dilutive potential ordinary shares for both financial periods.

17. Net Asset Value

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

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

	Group		Company	
	30 Sep 2021	31 Dec 2020	30 Sep 2021	31 Dec 2020
Net asset/ (liability) value (S\$)	7,075,823	(3,823,460)	4,935,621	(4,379,900)
Number of ordinary shares in issue	180,284,439	121,108,700	180,284,439	121,108,700
Net asset/ (liability) value per ordinary share (cents)	3.92	(3.16)	2.74	(3.62)

18. Subsequent Events

On 3 November 2021, the Company issued 6,565,300 new ordinary shares at an issue price of S\$0.527 for each Subscription Shares, amounting to an aggregate gross consideration of US\$2,542,000.

The financial effects of the above transaction have not been included in this set of interim financial statements for the period ended 30 September 2021. The operating results and assets and liabilities of the Company will be reflected with the financial effects of the above transaction in the fourth quarter of 2021 and full year 2021.

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

19. **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.

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

Not applicable.

- 20A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

21. **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 nine months ended 30 September 2021 ("9M 2021") and 30 September 2020 ("9M 2020")

CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

Financial Performance – 9M 2021 vs 9M 2020

Revenue

The overall revenue increased by approximately S\$2.7 million or 286.8% to approximately S\$3.7 million in 9M 2021, from approximately S\$0.9 million in 9M 2020. The higher revenue was primarily attributable to the revenue derived from the newly acquired subsidiaries that provide staking services as described in section 4.3 (iii).

The revenue from Moonstake Pte Ltd and Moonstake Limited only commenced from the month of June 2021 since the acquisition was completed on 31 May 2021.

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Revenue (Cont'd)

The increase in revenue was partly offset by the decrease in the revenue from blockchain agency and consulting services by approximately S\$0.5 million as compared to 9M 2020. There were no significant changes in sales generated from mechanical and electrical services.

Gross profit and gross profit margin (GPM)

The overall gross profit was approximately S\$3.1 million in 9M 2021, which increased by 579.3% from approximately S\$0.5 million in 9M 2020. The overall GPM increased from 47.6% in 9M 2020 to 83.7% in 9M 2021.

The overall gross profit generated in 9M 2021 was mainly contributed by the blockchain technology services, of which the GPM was approximately 89.2% in 9M 2021 due to increase in revenue generated from staking services. The cost of sales incurred by this business segment was mainly the cost of outsourcing consulting services and commission expenses.

The M&E business generated a gross profit and GPM of approximately S\$0.1 million and approximately 35.4% in 9M 2021 as compared to a gross profit and GPM of approximately S\$0.07 million and approximately 19.3% respectively in 9M 2020.

Other operating income

Other operating income increased by approximately S\$0.3 million, from approximately S\$0.3 million in 9M 2020 to approximately S\$0.6 million in 9M 2021. This was primarily due to amount owing to the two liquidated subsidiaries (Acmes Power Building Services Pte Ltd and Acmes Properties Pte Ltd) of approximately S\$0.3 million written off following the formal dissolution of these subsidiaries. The gain arising from the accounts payable written-off is non-recurring in nature and there was no similar write-off in 9M 2020.

Operating Expenses

Selling and distribution expenses were approximately S\$1.0 million in 9M 2021, increased by approximately S\$0.9 million from approximately S\$0.1 million in 9M 2020. The selling and distribution expenses mainly comprised (i) salaries for sales and marketing staff of approximately S\$0.4 million, and (ii) marketing consultancy and advertising services of approximately S\$0.5 million. The increase in marketing expenses was mainly due to increase in headcount and expenses incurred to promote the blockchain business.

Administrative expenses were approximately S\$2.3 million in 9M 2021, which increased by approximately S\$1.1 million from approximately S\$1.2 million in 9M 2020. The increase in the administrative expenses was mainly attributable to (i) to higher staff costs of approximately S\$0.3 million due to an increase in headcount in 9M 2021, (ii) higher fees incurred on investor's relation consultancy of approximately S\$0.1 million, (iii) higher audit and professional fees of approximately S\$0.3 million following the acquisition of the new subsidiaries in May 2021, (iv) amortisation of software development costs of approximately S\$0.2 million (9M 2020: Nil), and (v) higher software maintenance fees of approximately S\$0.1 million.

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Operating Expenses (Cont'd)

Other operating expenses were approximately S\$0.13 million in 9M 2021, increased by approximately S\$0.08 million from approximately S\$0.05 million in 9M 2020. The increase was mainly due to (i) loss on disposal of crypto assets of approximately S\$0.1 million (9M 2020: Nil), and (ii) impairment loss on crypto assets of approximately S\$0.01 million (9M 2020: Nil).

Finance costs

Finance costs were approximately S\$0.001 million, which decreased by approximately S\$0.05 million or 96.5% from approximately S\$0.06 million in 9M 2020. The decrease in finance costs in 9M 2021 was primarily due to full repayment of bank borrowings in FY2020.

Income tax expenses

The Group incurred income tax expenses of approximately S\$0.1 million in 9M 2021, which increased by approximately S\$0.1 million from approximately S\$0.006 million in 9M 2020. The increase in income tax expenses was mainly due to reversal of deferred tax assets in 9M 2021.

Total comprehensive profit for the period

The resulting comprehensive profit for the nine months under review increased by approximately S\$0.9 million to approximately S\$0.2 million in 9M 2021 from loss of approximately S\$0.7 million in 9M 2020.

Financial Performance – 3Q 2021 vs 3Q 2020

Revenue

The overall revenue increased by approximately S\$1.7 million or 653.0% to approximately S\$2.0 million in 3Q 2021, from approximately S\$0.3 million in 3Q 2020. The higher revenue was primarily attributable to the revenue derived from the newly acquired subsidiaries that provide staking services.

The increase in revenue was partly offset by the decrease in the revenue from blockchain agency and consulting services by approximately S\$0.2 million as compared to 3Q 2020. There were no significant changes in sales generated from mechanical and electrical services.

Gross profit and gross profit margin (GPM)

The overall gross profit was approximately S\$1.8 million in 3Q 2021, which increased from approximately S\$0.05 million in 3Q 2020. The overall GPM increased from 17.8% in 3Q 2020 to 90.5% in 3Q 2021.

The overall gross profit generated in 3Q 2021 was mainly contributed by the blockchain technology services, of which the GPM was approximately 93.1% in 3Q 2021. The cost of sales incurred by this business segment was mainly the cost of outsourcing consulting services and commission expenses.

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Gross profit and gross profit margin (GPM) (Cont'd)

Nevertheless, M&E business generated a gross loss and GLM of approximately S\$0.02 million and approximately 42.1% in 3Q 2021 as compared to a gross profit and GPM of approximately S\$0.01 million and approximately 47.1% respectively in 3Q 2020.

Other operating income

Other operating income increased by approximately S\$0.5 million, from approximately S\$0.05 million in 3Q 2020 to approximately S\$0.5 million in 3Q 2021. This was primarily due to (i) amount owing to the two liquidated subsidiaries (Acmes Power Building Services Pte Ltd and Acmes Properties Pte Ltd) of approximately S\$0.3 million written off following the formal dissolution of these subsidiaries, (ii) reversal of impairment loss on receivables of approximately S\$0.1 million as a result of repayment from a customer in 3Q 2021, and (iii) discount received from a service provider of approximately S\$0.1 million for settlement of outstanding balances.

Operating Expenses

Selling and distribution expenses were approximately S\$0.5 million in 3Q 2021, increased from approximately S\$0.1 million in 3Q 2020. The selling and distribution expenses mainly comprised (i) salaries for sales and marketing staff of approximately S\$0.2 million, and (ii) marketing consultancy and advertising services of approximately S\$0.3 million. The increase in marketing expenses was mainly due to increase in headcount and expenses incurred to promote the blockchain business.

Administrative expenses were approximately S\$1.1 million in 3Q 2021, which increased by approximately S\$0.8 million from approximately S\$0.3 million in 3Q 2020. The increase in administrative expenses was primarily attributable to (i) higher staff costs of approximately S\$0.1 million, mainly due to an increase in headcount in 3Q 2021, (ii) higher fees incurred on investor's relation consultancy of approximately S\$0.1 million, (iii) higher audit and professional fees of approximately S\$0.3 million following the acquisition of the new subsidiaries in May 2021, (iv) amortisation of software development costs of approximately S\$0.1 million (9M 2020: Nil), and (v) higher software maintenance fees of approximately S\$0.1 million.

Other operating expenses (net gain) of approximately S\$0.1 million mainly comprised a gain arising from the reversal of impairment loss on crypto assets of approximately S\$0.13 million, offset by loss on disposal of crypto assets of approximately S\$0.04 million. There were no other operating expenses incurred in 3Q 2020.

Finance costs

Finance costs were approximately S\$0.001 million, which decreased by approximately S\$0.01 million or 93.7% from approximately S\$0.01 million in 3Q 2020. The decrease in finance costs in 3Q 2021 was primarily due to full repayment of bank borrowings in FY 2020.

Income tax expenses

The Group recorded income tax expenses of approximately S\$0.01 million in 3Q 2021 due to under provision of income tax for prior years (3Q 2020: Nil).

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Total comprehensive profit for the period

The resulting comprehensive profit for the third quarter under review increased by approximately S\$1.1 million to approximately S\$0.8 million in 3Q 2021 from loss of approximately S\$0.3 million in 3Q 2020.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Non-current assets increased by approximately S\$11.5 million to approximately S\$11.7 million as at 30 September 2021 from approximately S\$0.2 million as at 31 December 2020. The increase was mainly due to recognition of goodwill of approximately S\$6.9 million and intangible assets of approximately S\$4.8 million that arose from the acquisition of Moonstake Pte Ltd and Moonstake Limited on 31 May 2021. Intangible assets comprised crypto assets of approximately S\$2.8 million and software development costs of approximately S\$2.0 million.

Current assets increased by approximately S\$3.8 million to approximately S\$4.3 million as at 30 September 2021 from approximately S\$0.5 million as at 31 December 2020. The increase was mainly due to increase in cash and bank balances of approximately S\$3.7 million, which primarily derived from proceeds received from the issuance of convertible notes of approximately S\$3.2 million, proceeds received from an interest free shareholder's loan of approximately S\$2.7 million, and proceeds received from the issuance of new ordinary shares of approximately S\$0.5 million. The increase in cash and bank balances was partly offset by repayment of a shareholder's loan of S\$0.5 million, and payment of expenses incurred in 9M 2021. In addition, there was an increase in trade and other receivables of approximately S\$0.1 million, mainly due to increase in government grant receivable of approximately S\$0.05 million.

Non-current liabilities increased by approximately S\$3.4 million to approximately S\$5.0 million as at 30 September 2021 from approximately S\$1.6 million as at 31 December 2020. The increase was mainly due to a shareholder's loan of approximately S\$2.7 million received in 9M 2021, and provision for contingent liability of approximately S\$1.5 million following the acquisition of MS Group. The increase was partly offset by reclassification of a trade payable due within 1 year of approximately S\$0.9 million from non-current liabilities to current liabilities.

Current liabilities increased by approximately S\$1.0 million to approximately S\$3.9 million as at 30 September 2021 from approximately S\$2.9 million as at 31 December 2020. The increase was primarily due to deferred revenue of approximately S\$0.8 million which relates to an agency service fee collected in advance (30 September 2020: Nil), and increase in trade and other payables of approximately S\$0.9 million mainly due to the reclassification of a trade payable of approximately S\$0.9 million from non-current liabilities to current liabilities. The increase was partially offset by repayment of a shareholder's loan of approximately S\$0.5 million and lower current tax liabilities of approximately S\$0.1 million.

As a result, the Group recorded a positive working capital of approximately S\$0.4 million as at 30 September 2021 as compared to a negative working capital approximately S\$2.4 million as at 31 December 2020.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

The shareholder equity increased by approximately S\$10.9 million from the deficit of approximately S\$3.8 million as at 30 December 2020 to approximately S\$7.1 million as at 30 September 2021. This was primarily attributable to the increase in share capital that arose from issuance of consideration shares of approximately S\$7.2 million for the acquisition of Moonstake Pte Ltd, the conversion of convertible notes to share capital of approximately S\$3.2 million and issuance of ordinary shares of approximately S\$0.5 million.

CONSOLIDATED STATEMENT OF CASH FLOWS

9M 2021 vs 9M 2020

The Group's net cash flows in operating activities was approximately S\$2.4 million in 9M 2021. This consisted of cash used in operating activities before changes in working capital of approximately S\$1.6 million, net working capital outflow of approximately S\$0.7 million and income tax paid of approximately S\$0.1 million. The discrepancy between profit before income tax and operating cash flows was mainly attributable to Moonstake Group that received a part of its revenue in crypto of approximately S\$2.7 million which was accounted under intangible assets but not treated as cash and cash equivalents for accounting purposes.

A net cash inflow of approximately S\$0.2 million was generated from investing activities in 9M 2021, primarily due to the cash acquired from the acquisition of Moonstake Pte Ltd of approximately S\$0.1 million, and disposal of crypto assets of approximately S\$0.3 million. This was partially offset by the payment of software development costs of approximately S\$0.2 million.

A net cash inflow of approximately S\$5.9 million was generated from financing activities in 9M 2021. This was mainly due to proceeds from the issuance of convertible notes of approximately S\$3.2 million, proceeds from a shareholder's loan of approximately S\$2.7 million and proceeds from the issuance of ordinary shares of approximately S\$0.5 million. The cash generated from financing activities was partly offset by repayment of loan to a shareholder of approximately S\$0.5 million in 9M 2021.

3Q 2021 vs 3Q 2020

The Group's net cash flows in operating activities was approximately S\$1.4 million in 3Q 2021. This consisted of cash used in operating activities before changes in working capital of approximately S\$0.8 million, net working capital outflow of approximately S\$0.6 million and income tax paid of approximately S\$0.05 million. The discrepancy between profit before income tax and operating cash flows was mainly attributable to Moonstake Group that receive a part of its revenue in crypto of approximately S\$1.9 million which was accounted under intangible assets but not treated as cash and cash equivalents for accounting purposes.

A net cash inflow of approximately S\$0.1 million was generated from investing activities in 3Q 2021, primarily due to the disposal of crypto assets of approximately S\$0.3 million. This was partially offset by payment of software development costs of approximately S\$0.2 million.

A net cash inflow of approximately S\$0.1 million was generated from financing activities in 3Q 2021. This was mainly due to proceeds from the issuance of ordinary shares of approximately S\$0.5 million. The cash generated from financing activities was partly offset by repayment of loan to a shareholder of approximately S\$0.4 million in 3Q 2021.

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- 22. 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.

- 23. 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 completion of the acquisition of Moonstake Group on 31 May 2021, the staking business generated S\$3.2 million revenue for the Group for 9M 2021. The management is confident that business synergies between blockchain business and staking solutions will continue to strengthen the performance of the Group in 4Q 2021 onwards.

On 20 October 2021, the Company entered into the placement agreements to issue ordinary shares and raise amounting to an aggregate gross consideration of US\$2,542,000 from new investors. The placement was completed on 3 November 2021. In 9M 2021 and up to the date of this Announcement, the Group raised US\$5,342,000 from the series of placement of ordinary shares as well as US\$2,000,000 long-term loan from the controlling shareholder, North Ventures Pte Ltd. Utilising a part of the proceeds from these exercises, the Group will continue to work on various initiatives in the fast-moving blockchain and digital asset sectors for our long-term growth. Please refer to paragraph 29 below for more details on the use of proceeds.

In view of the Covid-19 situations, there are some disruptions to the operations of the M&E engineering business such as quarantine of the Group's construction workers and slowdown of the construction projects in Singapore. Other than this, Covid-19 is not expected to materially affecting the Group's operations or financial situations.

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24. If a decision regarding dividend has been made:

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

Nil.

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

Not applicable.

- (b)(ii) Previous corresponding period**

Not applicable.

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

Not applicable.

- (d) The date the dividend is payable.**

Not applicable.

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

Not applicable.

25. 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 current financial period as the board of directors of the Company deems it appropriate to conserve cash for the Group's business operations in view of the uncertainties due to the Covid-19 pandemic.

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26. **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 aggregate value of all interested person transactions during the financial period ended 30 September 2021 were as follows:-

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u>)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u> (excluding transactions less than \$100,000)
Nil	N.A.	N.A.	N.A.

27. **Disclosures on Incorporation of Entities, Acquisition and Realisation of Shares pursuant to Catalist Rule 706A.**

- (a) As announced by the Company on 23 April 2021, the Company had on 23 April 2021 entered into a sale and purchase agreement for the acquisition of the entire issued and paid-up share capital in Moonstake Pte Ltd and Moonstake Limited (collectively referred to as “**MS Group**”) for an aggregate consideration of S\$7,182,000. On 31 May 2021, the Company completed the acquisition of the MS Group. Please refer to Note 13 of the Condensed Interim Financial Statements for further information relating to the acquisition of the MS Group.
- (b) As announced by the Company on 28 September 2021, the Company’s indirectly wholly owned subsidiaries, being Acmes Properties Pte Ltd and Acmes-Power Building Services Pte Ltd which were previously placed under the creditors’ voluntary liquidation have been formally dissolved. The dissolution of these subsidiaries has no material impact on the financial position of the Group for the financial year ending 31 December 2021.

28. **Negative Confirmation by the Board Pursuant to Rule 705(5)**

To the best of the Board of Directors’ knowledge, nothing has come to their attention which may render the unaudited financial results for the nine months financial period ended 30 September 2021 to be false or misleading in any material aspect.

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29. Use of Proceeds

a) Use of Proceeds from Convertible Notes

On 29 March 2021, the Company announced that it had entered into subscription agreements with several investors (the “**Subscribers**”) for the issuance by the Company to the Subscribers of 8.00% convertible notes up to an aggregate principal amount of US\$2,400,000 (“**Proposed Subscription**”). Subsequently, on 9 April 2021, the Company announced that the issuance by the Company of the Notes with an aggregate principal amount of US\$2,400,000 to the Subscribers had been completed. After deducting the estimated expenses of US\$31,000 in relation to the Proposed Subscription, the net proceeds received was US\$2,369,000 (the “**Net Proceeds**”).

On 31 May 2021, the Notes were automatically converted into 17,932,584 fully paid ordinary shares in the capital of the Company at the conversion price of S\$0.178 per Conversion Share in accordance with the terms and conditions of the Notes. Refer to Note 15.1 for further information on the increase in share capital.

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

Purposes	Allocation of Net Proceeds Received (US\$)	Amount Utilised (US\$)	Balance (US\$)
Working capital for Moonstake Pte Ltd and Moonstake Limited including sales and marketing expenses and software development/ maintenance expenses	1,500,000	(647,654)	852,346
Working capital (including working capital required by the Group’s newly set-up blockchain subsidiary, OIO Singapore Pte. Ltd.) and general corporate purposes (including the repayment of the Company’s liabilities including recurring professional fees)	869,000	(869,000)	-
Total	2,369,000	(1,516,654)	852,346

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

Purposes	US\$
Repayment of the Company’s liabilities including emoluments and professional fee	569,805
Payment of monthly personnel costs and professional fees	299,195
Total	869,000

The above utilisation is in accordance with the intended use of the Net Proceeds, as stated in the Company’s announcement dated 29 March 2021.

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29. Use of Proceeds (Cont'd)

b) Use of Proceeds from issuance of Ordinary Shares

(i) On 9 September 2021, the Company announced that it had entered into a subscription agreement with an investor (the “Subscriber”), pursuant to which the Subscriber will subscribe for, and the Company will allot and issue to the Subscriber, an aggregate of 894,841 new ordinary in the capital of the Company at an issue price of S\$0.601 per share, amounting to a consideration of US\$400,000 (the “Net Proceeds”). The shares subscription was completed on 28 September 2021.

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

Purposes	Allocation of Net Proceeds Received (US\$)	Amount Utilised (US\$)	Balance (US\$)
Financing the Group’s business expansion (including organic expansion and mergers and acquisitions)	240,000	(47,165)	192,835
Working capital and general corporate purposes (including the repayment of the Group’s liabilities)	160,000	(160,000)	-
Total	400,000	(207,165)	192,835

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

Purposes	US\$
Repayment of the Company’s liabilities including emoluments and professional fee	84,068
Payment of monthly personnel costs and professional fees	75,932
Total	160,000

The above utilisation is in accordance with the intended use of the Net Proceeds, as stated in the Company’s announcement dated 9 September 2021.

29. Use of Proceeds (Cont'd)

(ii) On 20 October 2021, the Company announced that it had entered into separate subscription agreements with several investors (the “Subscribers”), pursuant to which the Subscribers will subscribe for, and the Company will allot and issue to the Subscribers, an aggregate of 6,565,300 new ordinary shares (each a “Subscription Shares”) in the capital of the Company at an issue price of S\$0.527 for each Subscription Shares (the “Issue Price”), amounting to an aggregate gross consideration of US\$2,542,000 (the “Proposed Subscription”). The shares subscription was completed on 3 November 2021.

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

Purposes	Allocation of Net Proceeds Received (US\$)	Amount Utilised (US\$)	Balance (US\$)
Financing the Group’s business expansion (including organic expansion and mergers and acquisitions)	1,525,200	-	1,525,200
Working capital and general corporate purposes (including the repayment of the Group’s liabilities)	1,016,800	(61,948)	954,852
Total	2,542,000	(61,948)	2,480,052

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

Purposes	US\$
Repayment of the Company’s liabilities including emoluments and professional fee	24,033
Payment of monthly personnel costs and professional fees	37,915
Total	61,948

The above utilisation is in accordance with the intended use of the Net Proceeds, as stated in the Company’s announcement dated 20 October 2021.

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

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Listing Manual.

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BY ORDER OF THE BOARD

Manfred Fan Chee Seng
Executive Chairman

12 November 2021

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

The contact person for the Sponsor is Mr Joseph Au, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.