

OIO HOLDINGS LIMITED

Company Registration No. 201726076W

Unaudited Condensed Interim Financial Statements

For the Third Quarter and Nine Months Ended 30 September 2022

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 2021.

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INFORMATION REQUIRED FOR ANNOUNCEMENT OF THIRD QUARTER AND NINE MONTHS RESULTS

A. Condensed Interim Consolidated Income Statement and Other Comprehensive Income

	Note	Group					
		3 months ended 30 September			9 months ended 30 September		
		3Q 2022	3Q 2021	Change	9M 2022	9M 2021	Change
		(Unaudited) S\$	(Unaudited) S\$	%	(Unaudited) S\$	(Unaudited) S\$	%
Revenue	4	352,057	2,017,482	(82.5)	3,271,350	3,658,595	(10.6)
Cost of sales		(95,273)	(192,066)	(50.4)	(646,642)	(597,978)	8.1
Gross profit		256,784	1,825,416	(85.9)	2,624,708	3,060,617	(14.2)
Other operating income		200,760	475,600	(57.8)	592,126	569,019	4.1
Selling and distribution expenses		(515,935)	(509,678)	1.2	(1,341,421)	(974,354)	37.7
Administrative expenses		(972,834)	(1,091,414)	(10.9)	(3,022,562)	(2,270,448)	33.1
Other operating expenses		(42,243)	98,042	N.M	(3,377,994)	(129,269)	N.M
Result from operation		(1,073,468)	797,966	N.M	(4,525,143)	255,565	N.M
Finance costs	6.2	(338)	(579)	(41.6)	(338)	(1,956)	(82.7)
(Loss)/ profit before taxation	6	(1,073,806)	797,387	N.M	(4,525,481)	253,609	N.M
Income tax expense	7	-	(13,382)	N.M	-	(108,286)	N.M
(Loss)/ profit for the financial period		(1,073,806)	784,005	N.M	(4,525,481)	145,323	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)		224,369	44,635	N.M	476,933	84,250	N.M
Total other comprehensive (loss)/ profit for the period		(849,437)	828,640	N.M	(4,048,548)	229,573	N.M
(Loss)/ profit attributable to:							
Owners of the Company		(1,073,417)	776,885	N.M	(4,528,171)	158,013	N.M
Non-Controlling interests ("NCI")		(389)	7,120	N.M	2,690	(12,690)	N.M
		(1,073,806)	784,005	N.M	(4,525,481)	145,323	N.M
Total comprehensive (loss)/ profit attributable to:							
Owners of the Company		(849,048)	821,520	N.M	(4,051,238)	242,263	N.M
Non-Controlling interests ("NCI")		(389)	7,120	N.M	2,690	(12,690)	N.M
		(849,437)	828,640	N.M	(4,048,548)	229,573	N.M

N.M denotes not meaningful

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B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021
		(Unaudited) S\$	(Audited) S\$	(Unaudited) S\$	(Audited) S\$
ASSETS					
Non-current assets					
Investment in subsidiaries	8	-	-	9,325,853	9,325,853
Intangible assets	9	11,310,447	13,550,097	-	-
Property, plant and equipment	10	18,931	7,866	16,502	5,141
Right-of-use assets		98,859	-	98,859	-
Total non-current assets		11,428,237	13,557,963	9,441,214	9,330,994
Current assets					
Trade and other receivables		696,588	353,182	1,859,595	948,075
Cash and bank balances		1,694,593	5,835,041	1,431,657	4,439,145
Total current assets		2,391,181	6,188,223	3,291,252	5,387,220
Total assets		13,819,418	19,746,186	12,732,466	14,718,214
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	14.1	23,830,385	23,830,385	23,830,385	23,830,385
Reserves		(2,007,138)	(2,556,773)	72,702	-
Accumulated losses		(16,291,373)	(11,763,202)	(17,203,437)	(15,879,228)
Total equity attributable to owners of the Company		5,531,874	9,510,410	6,699,650	7,951,157
Non-controlling interests		(55,098)	(57,788)	-	-
Total equity		5,476,776	9,452,622	6,699,650	7,951,157
LIABILITIES					
Non-current liabilities					
Contract liabilities	11	131,359	370,505	-	-
Provision for contingent liability	12	231,961	250,684	-	-
Lease liabilities		48,555	-	48,555	-
Loans from shareholder	13	3,268,000	-	3,268,000	-
Total non-current liabilities		3,679,875	621,189	3,316,555	-
Current liabilities					
Trade and other payables		4,005,932	5,332,364	2,665,221	3,363,657
Contract liabilities	11	408,485	550,251	-	-
Lease liabilities		51,040	-	51,040	-
Loans from shareholder	13	-	3,403,400	-	3,403,400
Current tax liabilities		197,310	386,360	-	-
Total current liabilities		4,662,767	9,672,375	2,716,261	6,767,057
Total liabilities		8,342,642	10,293,564	6,032,816	6,767,057
Total equity and liabilities		13,819,418	19,746,186	12,732,466	14,718,214

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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 2022	3Q 2021	9M 2022	9M 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
	S\$	S\$	S\$	S\$	
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/ profit before income tax		(1,073,806)	797,387	(4,525,481)	253,609
Adjustments for:					
Amortisation of software development	6.1	93,001	119,048	244,939	155,800
Crypto assets received as revenue		(240,783)	(1,850,956)	(1,857,794)	(2,688,669)
Crypto asset payments for expenses		376,081	298,056	662,553	534,300
Depreciation of property, plant and equipment	6.1	1,747	8,674	4,528	26,141
Depreciation of right-of-use assets	6.1	4,298	9,867	4,298	35,529
Gain on liquidation of subsidiary ⁽¹⁾	6.1	-	-	(292,784)	-
Gain on disposal of subsidiary ⁽²⁾	6.1	(149,781)	-	(149,781)	-
(Reversal of impairment loss)/ impairment loss on crypto assets	6.1	(626,790)	(134,232)	2,643,230	13,536
Loss on disposal of crypto assets	6.1	630,782	35,403	682,558	114,304
Reversal of impairment on trade receivables	6.1	-	(642)	-	-
Other receivables written off	6.1	-	642	-	642
Interest on finance lease liabilities	6.1	338	579	338	1,956
Reversal of impairment loss on other receivables	6.1	-	(40,000)	(20,000)	(40,000)
Operating loss before working capital changes		(984,913)	(756,174)	(2,603,396)	(1,592,852)
Change in contract liabilities		(128,999)	-	(412,456)	-
Change in trade and other receivables		(303,998)	19,736	(398,494)	(67,746)
Proceeds from disposal of crypto assets		476,290	-	1,430,080	-
Change in trade and other payables		(10,352)	(609,417)	(802,492)	(592,186)
Net cash used in operations		(951,972)	(1,345,855)	(2,786,758)	(2,252,784)
Income tax paid		(121,250)	(34,059)	(189,050)	(105,846)
Net cash used in operating activities		(1,073,222)	(1,379,914)	(2,975,808)	(2,358,630)
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions of software development costs		(227,760)	(204,165)	(645,300)	(204,165)
Net cash outflow on liquidation of subsidiary ⁽¹⁾		-	-	(6,272)	-
Net cash outflow on disposal of subsidiary ⁽²⁾		(5,013)	-	(5,013)	-
Proceeds from disposal of subsidiary ⁽²⁾		5,000	-	5,000	-
Cash acquired via acquisition of subsidiaries settled in consideration shares		-	-	-	98,386
Disposal of crypto assets		-	271,165	-	290,976
Purchase of crypto assets		(117,245)	-	(269,573)	-
Purchase of property, plant and equipment	6.1	(9,347)	(1,296)	(16,432)	(5,159)
Repayment of loan from non-controlling interest's holding company		-	-	20,000	-
Net cash (used in)/ generated from investing activities		(354,365)	65,704	(917,590)	180,038
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid on finance lease liabilities		(338)	(579)	(338)	(1,956)
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
Repayment of lease liabilities		(3,562)	(8,676)	(3,562)	(34,704)
Repayment of loan from shareholder		-	(400,000)	(300,000)	(500,000)
Net cash (used in)/ generated from financing activities		(3,900)	128,545	(303,900)	5,924,960
Net (decrease)/ increase in cash and cash equivalents		(1,431,487)	(1,185,665)	(4,197,298)	3,746,368
Cash and cash equivalents at beginning of financial period		3,098,796	5,279,646	5,835,041	338,369
Effects of exchange rate changes on cash and cash equivalents		27,284	(46,480)	56,850	(37,236)
Cash and cash equivalents at end of financial period		1,694,593	4,047,501	1,694,593	4,047,501

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

- (1) On 21 February 2022, the Company applied for creditors' voluntary liquidation for Acmes-Kings Corporation Pte. Ltd. This subsidiary is consolidated until the date it ceases to be a subsidiary of the Group. There is a gain of S\$292,784 recorded at Group level.
- (2) On 12 August 2022, the Company disposed its shares in DLF Engineering Pte Ltd. This subsidiary is consolidated until the date it ceases to be a subsidiary of the Group. There is a gain of S\$149,781 recorded at Group level.

D. Condensed Interim Statements of Changes in Equity

Group	Share capital	Other reserves	Share-based payment reserves	Foreign currency reserves	Accumulated losses	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
9M 2022 (Unaudited)								
Balance as at 1 January 2022	23,830,385	(2,888,997)	-	332,224	(11,763,202)	9,510,410	(57,788)	9,452,622
(Loss)/ profit for the period	-	-	-	-	(4,528,171)	(4,528,171)	2,690	(4,525,481)
Foreign currency translation differences	-	-	-	476,933	-	476,933	-	476,933
Total comprehensive profit/ (loss) for the period	-	-	-	476,933	(4,528,171)	(4,051,238)	2,690	(4,048,548)
Transactions with owners, recognised directly in equity								
Recognition of share-based payments	-	-	72,702	-	-	72,702	-	72,702
Balance as at 30 September 2022	23,830,385	(2,888,997)	72,702	809,157	(16,291,373)	5,531,874	(55,098)	5,476,776
9M 2021 (Unaudited)								
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/ (loss) 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)
Transactions with owners, recognised directly in equity								
Issuance of new ordinary shares	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

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

	Share capital	Other reserves	Share-based payment reserves	Foreign currency reserves	Accumulated losses	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
3Q 2022 (Unaudited)								
Balance as at 1 July 2022	23,830,385	(2,888,997)	72,702	584,788	(15,217,956)	6,380,922	(54,709)	6,326,213
Loss for the period	-	-	-	-	(1,073,417)	(1,073,417)	(389)	(1,073,806)
Foreign currency translation differences	-	-	-	224,369	-	224,369	-	224,369
Total comprehensive profit/(loss) for the period	-	-	-	224,369	(1,073,417)	(849,048)	(389)	(849,437)
<u>Transactions with owners, recognised directly in equity</u>								
Recognition of share-based payments	-	-	-	-	-	-	-	-
Balance as at 30 September 2022	23,830,385	(2,888,997)	72,702	809,157	(16,291,373)	5,531,874	(55,098)	5,476,776
3Q 2021 (Unaudited)								
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
Capital reserve from acquisition of subsidiaries	-	-	-	-	-	-	-	-
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
<u>Transactions with owners, recognised directly in equity</u>								
Issuance of new ordinary shares	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

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

Company	Share capital	Other reserves	Share-based payment reserves	Accumulated losses	Total equity
	S\$	S\$	S\$	S\$	S\$
9M 2022 (Unaudited)					
Balance as at 1 January 2022	23,830,385	-	-	(15,879,228)	7,951,157
Loss for the period	-	-	-	(1,324,209)	(1,324,209)
Total comprehensive loss for the period	-	-	-	(1,324,209)	(1,324,209)
<u>Transactions with owners, recognised directly in equity</u>					
Recognition of share-based payments	-	-	72,702	-	72,702
Balance as at 30 September 2022	23,830,385	-	72,702	(17,203,437)	6,699,650
9M 2021 (Unaudited)					
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)
<u>Transactions with owners, recognised directly in equity</u>					
Issuance of new ordinary shares	10,911,800	-	-	-	10,911,800
Balance as at 30 September 2021	20,410,817	(242,090)	-	(15,233,106)	4,935,621

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

	Share capital	Other reserves	Share-based payment reserves	Accumulated losses	Total equity
Company	S\$	S\$	S\$	S\$	S\$
3Q 2022 (Unaudited)					
Balance as at 1 July 2022	23,830,385	-	72,702	(16,721,048)	7,182,039
Loss for the period	-	-	-	(482,389)	(482,389)
Total comprehensive loss for the period	-	-	-	(482,389)	(482,389)
<u>Transactions with owners, recognised directly in equity</u>					
Recognition of share-based payments	-	-	-	-	-
Balance as at 30 September 2022	23,830,385	-	72,702	(17,203,437)	6,699,650
3Q 2021 (Unaudited)					
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)
Capital reserve from acquisition of subsidiaries	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(551,470)	(551,470)
<u>Transactions with owners, recognised directly in equity</u>					
Issuance of new ordinary shares	537,800	-	-	-	537,800
Balance as at 30 September 2021	20,410,817	(242,090)	-	(15,233,106)	4,935,621

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 for the third quarter and the nine months ended 30 September 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activities of the Group are:-

- (a) 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;
- (b) 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 (collectively, “**MS Group**”) acquired by the Group on 31 May 2021;
- (c) Management services segment relates to provision of contract work management and fulfilment services; and
- (d) 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. On 12 August 2022 and on 27 October 2022, the Group announced the completion of disposal of shares in DLF Engineering Pte. Ltd.² as well as the placement of the remaining M&E Engineering Services subsidiaries under Creditors Voluntarily Liquidation³ respectively.

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 SGX company announcement – Asset Acquisition and Disposals:: Completion of Disposal of Shares in DLF Engineering Pte. Ltd.
(https://links.sgx.com/FileOpen/OIO_Completion_of_Disposal_of_DLF_Engineering.ashx?App=Announcement&FileID=728434)

³ SGX company announcement – General Announcement:: Creditors’ Voluntarily Liquidation of Subsidiaries
(https://links.sgx.com/FileOpen/OIO_CVL_DLFPL_DLFPV.ashx?App=Announcement&FileID=733622)

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2. Basis of preparation

The condensed interim financial statements for the financial period ended 30 September 2022 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 2021.

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 2022. 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 2021.

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
- Note 8 – Acquisition of subsidiary: The fair value of the consideration transferred and the fair value of the assets acquired and liabilities assumed
- 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

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 2022:-

- Segment 1: Mechanical and electrical engineering services⁴;
- 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.

⁴ SGX company announcement – Asset Acquisition and Disposals:: Completion of Disposal of Shares in DLF Engineering Pte. Ltd.
(https://links.sgx.com/FileOpen/OIO_Completion_of_Disposal_of_DLF_Engineering.ashx?App=Announcement&FileID=728434)

SGX company announcement – General Announcement:: Creditors' Voluntarily Liquidation of Subsidiaries
(https://links.sgx.com/FileOpen/OIO_CVL_DLFPL_DLFPV.ashx?App=Announcement&FileID=733622)

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4.1 Reportable segments

Group	Mechanical and electrical engineering services	Management services	Blockchain technology services ⁽¹⁾	Unallocated	Total
9M 2022 (Unaudited)	S\$	S\$	S\$	S\$	S\$
Revenue	68,300	-	3,203,050	-	3,271,350
Segment results	347,500	13,449	(3,562,221)	(1,323,871)	(4,525,143)
Profit/ (loss) before tax	347,500	13,449	(3,562,221)	(1,324,209)	(4,525,481)
Segment assets	99,550	-	12,124,972	1,594,896	13,819,418
Segment liabilities	205,570	6,953	3,765,048	4,365,071	8,342,642
<i>Other information</i>					
Interest expenses on lease liabilities	-	-	-	(338)	(338)
Realised foreign exchange (loss)/ gain, net	-	-	(1,629)	4,319	2,690
Unrealised foreign exchange (loss), net	-	-	(12,418)	(42,478)	(54,896)
Amortisation of software development	-	-	(244,939)	-	(244,939)
Purchase of property, plant and equipment	-	-	(1,771)	(14,661)	(16,432)
Depreciation of property, plant and equipment	(204)	-	(1,025)	(3,299)	(4,528)
Depreciation of right-of-use assets	-	-	-	(4,298)	(4,298)
Reversal of impairment loss on other receivables	-	20,000	-	-	20,000
Impairment loss on crypto assets	-	-	(2,643,230)	-	(2,643,230)
Loss on disposal of crypto assets	-	-	(682,558)	-	(682,558)
Gain on liquidation of subsidiary	292,784	-	-	-	292,784
Gain on disposal of subsidiary	144,781	-	-	5,000	149,781
Government grants	2,500	-	108,249	15,938	126,687

(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 2021:-

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

Group	Mechanical and electrical engineering services	Management services	Blockchain technology services ⁽¹⁾	Unallocated	Total
9M 2021 (Unaudited)	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>					
Interest expenses on lease liabilities	(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	-	-	(2,526)	(2,633)	(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 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)
Government grants	11,430	-	88,385	38,426	138,241

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

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4.1 Reportable segments (Cont'd)

Group	Mechanical and electrical engineering services	Management services	Blockchain technology services ⁽¹⁾	Unallocated	Total
3Q 2022 (Unaudited)	S\$	S\$	S\$	S\$	S\$
Revenue	660	-	351,397	-	352,057
Segment results	183,159	(1,947)	(772,629)	(482,051)	(1,073,468)
Profit/ (loss) before tax	183,159	(1,947)	(772,629)	(482,389)	(1,073,806)
Segment assets	99,550	-	12,124,972	1,594,896	13,819,418
Segment liabilities	205,570	6,953	3,765,048	4,365,071	8,342,642
<i>Other information</i>					
Interest expenses on lease liabilities	-	-	-	(338)	(338)
Realised foreign exchange gain, net	-	-	5	4,250	4,255
Unrealised foreign exchange gain/ (loss), net	-	-	1,482	(43,988)	(42,506)
Amortisation of software development	-	-	(93,001)	-	(93,001)
Purchase of property, plant and equipment	-	-	-	(9,347)	(9,347)
Depreciation of property, plant and equipment	(18)	-	(358)	(1,371)	(1,747)
Depreciation of right-of-use assets	-	-	-	(4,298)	(4,298)
Reversal of impairment loss on crypto assets	-	-	626,790	-	626,790
Loss on disposal of crypto assets	-	-	(630,782)	-	(630,782)
Gain on disposal of subsidiary	144,781	-	-	5,000	149,781
Government grants	-	-	46,045	2,128	48,173

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

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4.1 Reportable segments (Cont'd)

Group	Mechanical and electrical engineering services	Management services	Blockchain technology services ⁽¹⁾	Unallocated	Total
3Q 2021 (Unaudited)	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>					
Interest expenses on lease liabilities	(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)
Government grants	1,500	-	40,750	14,203	56,453

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

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4.2 Disaggregation of Revenue

	Group			
	3 months ended		9 months ended	
	30 September		30 September	
	3Q 2022	3Q 2021	9M 2022	9M 2021
The Group	S\$	S\$	S\$	S\$
Staking services				
- Digital wallets and staking services	247,510	1,218,086	1,500,844	1,400,075
- Research and development services	6,959	679,017	1,352,548	1,668,749
- Agency service fee	84,463	81,969	250,234	108,792
Total staking services	338,932	1,979,072	3,103,626	3,177,616
Project revenue	660	38,410	68,300	378,012
Blockchain agency and consulting services	12,465	-	99,424	102,967
	352,057	2,017,482	3,271,350	3,658,595
Timing of revenue recognition				
At a point in time				
- Staking services	247,510	1,897,103	2,419,549	3,068,824
- Blockchain agency and consulting services	-	-	67,736	27,741
	247,510	1,897,103	2,487,285	3,096,565
Over time				
- Staking services	91,422	81,969	684,077	108,792
- Project revenue	660	38,410	68,300	378,012
- Blockchain agency and consulting services	12,465	-	31,688	75,226
	104,547	120,379	784,065	562,030
	352,057	2,017,482	3,271,350	3,658,595
Geographical segments				
Singapore	85,173	127,145	1,683,395	1,558,529
Others	266,884	1,890,337	1,587,955	2,100,066
	352,057	2,017,482	3,271,350	3,658,595

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.

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4.3 Revenue (Cont'd)

(ii) Blockchain agency and consulting services⁽¹⁾

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⁽²⁾

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

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

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

(1) Conducted by OIO Singapore Pte Ltd.

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

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2022 and 31 December 2021:-

	Group		Company	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	(Unaudited) S\$	(Audited) S\$	(Unaudited) S\$	(Audited) S\$
Financial assets at amortised costs				
Trade and other receivables*	556,292	233,444	1,829,052	930,655
Cash and bank balances	1,694,593	5,835,041	1,431,657	4,439,145
	<u>2,250,885</u>	<u>6,068,485</u>	<u>3,260,709</u>	<u>5,369,800</u>
Financial liabilities at amortised costs				
Trade and other payables**	1,896,882	2,582,002	2,665,221	3,363,657
Lease liabilities	99,595	-	99,595	-
Loans from shareholder	3,268,000	3,403,400	3,268,000	3,403,400
	<u>5,264,477</u>	<u>5,985,402</u>	<u>6,032,816</u>	<u>6,767,057</u>

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

** Excluded advances from customers in crypto assets, short term advances in crypto assets and goods and services tax payable.

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6. (Loss)/ profit before taxation

6.1 Significant items

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

	Note	Group			
		3 months ended 30 September		9 months ended 30 September	
		3Q 2022 (Unaudited) S\$	3Q 2021 (Unaudited) S\$	9M 2022 (Unaudited) S\$	9M 2021 (Unaudited) S\$
Amortisation of software development	9	(93,001)	(119,048)	(244,939)	(155,800)
Depreciation on property, plant and equipment		(1,747)	(8,674)	(4,528)	(26,141)
Depreciation on right-of-use assets		(4,298)	(9,867)	(4,298)	(35,529)
Realised foreign exchange gain/ (loss), net		4,255	(66)	2,690	1,605
Unrealised foreign exchange (loss), net		(42,506)	(12,353)	(54,896)	(2,393)
Gain on liquidation of subsidiary ⁽¹⁾		-	-	292,784	-
Gain on disposal of subsidiary ⁽²⁾		149,781	-	149,781	-
Government grants		48,173	56,453	126,687	138,241
Reversal of impairment loss/ (impairment loss) on crypto assets	9	626,790	134,232	(2,643,230)	(13,536)
Interest expenses on lease liabilities		(338)	(579)	(338)	(1,956)
Loss on disposal of crypto assets		(630,782)	(35,403)	(682,558)	(114,304)
Reversal of impairment loss on trade receivables		-	642	-	-
Other receivables written off		-	(642)	-	(642)
Reversal of impairment loss on other receivables		-	40,000	20,000	40,000
Purchase of property, plant and equipment		(9,347)	(1,296)	(16,432)	(5,159)

⁽¹⁾ On 21 February 2022, the Company applied for creditors' voluntary liquidation for Acmes-Kings Corporation Pte. Ltd. This subsidiary is consolidated until the date it ceases to be a subsidiary of the Group. There is a gain of S\$292,784 recorded at Group level.

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

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6.2 Finance costs

The interest expenses on leases liabilities incurred in 3Q 2022 and 9M 2022 are S\$338 and S\$338 respectively (3Q 2021: S\$579, 9M 2021: S\$1,956).

6.3 Related party transactions

There were transactions with the following related party during the financial period ended 30 June 2022.

The Group	Group			
	3 months ended 30 September		9 months ended 30 September	
	3Q 2022	3Q 2021	9M 2022	9M 2021
	(Unaudited) S\$	(Unaudited) S\$	(Unaudited) S\$	(Unaudited) S\$
<u>Transactions with related party</u>				
Professional and consulting fee	24,991	24,391	82,530	32,452

Related party is an entity which has common controlling shareholder as the Company.

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 30 September		9 months ended 30 September	
	3Q 2022	3Q 2021	9M 2022	9M 2021
	(Unaudited) S\$	(Unaudited) S\$	(Unaudited) S\$	(Unaudited) S\$
Income tax expense	-	13,382	-	108,286

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8. Investment in subsidiaries

	Company	
	30 September 2022	31 December 2021
	(Unaudited)	(Audited)
	S\$	S\$
<u>Unquoted equity investments, at cost</u>		
At 1 January	10,572,766	1,246,914
At 31 March	10,572,766	1,246,914
Acquisition of subsidiaries ⁽¹⁾	-	7,141,652
Additions ⁽²⁾	-	2,184,200
At 30 June	10,572,766	10,572,766
Disposal of subsidiary ⁽³⁾	(194,485)	-
At 30 September and 31 December	10,378,281	10,572,766
Less: Impairment of investment in subsidiaries	(1,052,428)	(1,246,913)
Investment in subsidiaries - Net	9,325,853	9,325,853

⁽¹⁾ On 31 May 2021, the Company acquired the entire issued share capital in Moonstake Pte Ltd from a third party for an aggregate consideration of \$7,141,652.

⁽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.

⁽³⁾ On 12 August 2022, the Company disposed the entire issued share capital in DLF Engineering Pte Ltd.

Creditors' voluntary liquidation of subsidiaries

On 21 February 2022, the Company applied for creditors' voluntary liquidation for Acmes-Kings Corporation Pte. Ltd. The subsidiary is consolidated until the date they cease to be a subsidiary of the Company. There was a gain of \$292,784 (9M 2021: Nil) recorded at the Group level.

On 27 October 2022, the Company applied for creditors' voluntary liquidation for DLF Pte. Ltd. and DLF Prosper Venture Pte. Ltd. The subsidiaries are consolidated until the date they cease to be subsidiaries of the Company. The financial effects of the above transactions have not been included in this set of interim financial statement for the period ended 30 September 2022. The operating results and assets and liabilities of the Company will be reflected with the financial effects of the above transactions in the fourth quarter 2022 results and full year 2022 results.

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9. Intangible assets

Note	Group			
	Goodwill on Acquisition	Crypto Assets	Software Development	Total
	S\$	S\$	S\$	S\$
At 30 September 2022				
Cost				
At 1 January 2022	7,138,481	6,323,284	1,270,082	14,731,847
Additions	-	2,127,367	645,300	2,772,667
Disposal	-	(2,762,364)	-	(2,762,364)
Partial repayment of short-term advances to third party ⁽¹⁾	-	(34,040)	-	(34,040)
Short-term advances from third party ⁽²⁾	-	129,199	-	129,199
Advance payment to service provider	-	(138,480)	-	(138,480)
Advance payment from customer	-	33,235	-	33,235
Currency translation differences	434,636	322,656	77,331	834,623
At 30 September 2022	7,573,117	6,000,857	1,992,713	15,566,687
Accumulated Amortisation				
At 1 January 2022	-	-	(311,845)	(311,845)
Additions	6.1	-	(244,939)	(244,939)
Currency translation differences	-	-	(29,935)	(29,935)
At 30 September 2022	-	-	(586,719)	(586,719)
Accumulated Impairment				
At 1 January 2022	-	(869,905)	-	(869,905)
Additions	6.1	(2,643,230)	-	(2,643,230)
Currency translation differences	-	(156,386)	-	(156,386)
At 30 September 2022	-	(3,669,521)	-	(3,669,521)
Carrying Amount				
At 30 September 2022	7,573,117	2,331,336	1,405,994	11,310,447
At 31 December 2021	7,138,481	5,453,379	958,237	13,550,097

⁽¹⁾ Relates to partial repayment of short-term advances in crypto assets received from a third party. The short-term advances are non-interest bearing and repayable on demand.

⁽²⁾ Relates to short-term advances in crypto assets received from a third party. The short-term advances are non-interest bearing and repayable on demand.

9.1 Goodwill on Acquisition

The Group recognised a goodwill of S\$7,573,117⁽¹⁾ 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 FY2021 for further details of the acquisition.

⁽¹⁾ US\$5,281,114 @ USD/SGD closing rate of 1.434

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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.

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 financial period ended 30 September 2022, the Group acquired assets amounting to S\$16,432 (30 September 2021: S\$5,159). There is no asset written off during the financial period ended 30 September 2022 (30 September 2021: S\$28,500).

11. Contract liabilities

	Group	
	30 September 2022	31 December 2021
	(Unaudited) S\$	(Audited) S\$
At 1 January	699,419	-
Acquisition of subsidiaries	-	872,230
Recognise as revenue - non-refundable agency fee	(250,234)	(194,265)
Currency translation differences	31,114	21,454
Deferred Revenue	480,299 ⁽¹⁾	699,419 ⁽¹⁾
Advances from customers	59,545 ⁽²⁾	221,337 ⁽²⁾
	<u>539,844</u>	<u>920,756</u>

⁽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⁾ Amounts received in advance for consulting services.

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11. Contract liabilities (Cont'd)

	Group	
	30 September 2022	31 December 2021
	(Unaudited) S\$	(Unaudited) S\$
Analysed as		
- Current ⁽³⁾	408,485	550,251
- Non-current	131,359	370,505
	539,844	920,756

⁽³⁾ Includes agency service fee collected in advance of \$348,940 (31 December 2021: \$328,914) to be recognised 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\$0.3 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.

13. Aggregate amount of group’s borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 September 2022 (Unaudited)		As at 31 December 2021 (Audited)	
Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
-	-	-	3,403,400

Amount repayable after one year

As at 30 September 2022 (Unaudited)		As at 31 December 2021 (Audited)	
Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
-	3,268,000	-	-

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

Loans and borrowings

On 31 December 2019, 28 February 2020 and 7 April 2021, the Company entered into interest free loan agreements of S\$200,000, S\$500,000 and US\$2,000,000 (S\$2,868,000⁽¹⁾) 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\$2,868,000⁽¹⁾) 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 18 October 2022, the Company entered into an agreement with NVPL to further extend the repayment date of the interest free loans of (i) S\$400,000 and (ii) US\$2,000,000 (S\$2,868,000⁽¹⁾) respectively to after 15 October 2023.

As at 30 September 2022 and 31 December 2021, there was no borrowing incurred by the Group except for the interest free loans from the Company's controlling shareholder.

⁽¹⁾ US\$2,000,000 @ USD/SGD closing rate of 1.434

14. Share Capital

14.1 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 2022		31 December 2021	
	(Unaudited)		(Audited)	
	No. of shares	Amount	No. of shares	Amount
		S\$		S\$
<u>Issued and paid-up share capital</u>				
At beginning of financial period	186,849,739	23,830,385	121,108,700	9,499,017
Issuance of new ordinary shares ⁽¹⁾	-	-	40,348,314	7,141,652
Conversion of convertible notes ⁽²⁾	-	-	17,932,584	3,192,000
Issuance of new ordinary shares ⁽³⁾	-	-	894,841	537,800
Issuance of new ordinary shares ⁽⁴⁾	-	-	6,565,300	3,459,916
Issuance of new ordinary shares ⁽⁵⁾	372,830	-	-	-
At end of financial period	<u>187,222,569</u>	<u>23,830,385</u>	<u>186,849,739</u>	<u>23,830,385</u>

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14.1 Share Capital (Cont'd)

- (1) On 31 May 2021, the Company issued 40,348,314 ordinary shares (“**Consideration Shares**”) at the issue price of S\$0.177 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\$0.177 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.
- (4) On 3 November 2021, the Company issued 6,565,300 ordinary shares at the issue price of S\$0.527 per share to finance the Group’s business expansion, working capital and general corporate purposes.
- (5) 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.

The Company did not have any outstanding convertible notes, treasury shares or subsidiary holdings as at 30 September 2022, 31 December 2021 and 30 September 2021.

Performance Share Plan

On 31 January 2022, 31 March 2022 and 29 April 2022, the Company announced total awards of 313,150 shares to two employees of the Company and Yusaku Mishima, the executive director of the Company 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.

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.

14.2 To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30 September 2022 (Unaudited)	As at 31 December 2021 (Audited)
Total number of issued shares	187,222,569	186,849,739

The Company did not have any treasury shares as at 30 September 2022 and 31 December 2021.

14.3 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.

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14.4 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.

15. 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 2022	3Q 2021	9M 2022	9M 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss)/ profit attributable to the owners of the Group (S\$)	(1,073,417)	776,885	(4,528,171)	158,013
Weighted average number of ordinary shares in issue	187,222,569	179,409,051	186,435,429	147,160,199
Basic (loss)/ profit per share (cents)	(0.57)	0.43	(2.43)	0.11

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.

16. 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 2022	31 Dec 2021	30 Sep 2022	31 Dec 2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value (S\$)	5,476,776	9,452,622	6,699,650	7,951,157
Number of ordinary shares in issue	187,222,569	186,849,739	187,222,569	186,849,739
Net asset value per ordinary share (cents)	2.93	5.06	3.58	4.26

17. Subsequent Events

On 27 October 2022, the Company applied for creditors' voluntary liquidation for DLF Pte. Ltd. and DLF Prosper Venture Pte. Ltd. The financial effects of the above transactions have not been included in this set of interim financial statement for the period ended 30 September 2022.

The operating results and assets and liabilities of the Company will be reflected with the financial effects of the above transactions in the fourth quarter 2022 results and full year 2022 results.

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

18. **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.

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

Not applicable.

- 19A. **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.

20. **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 30 September 2022 ("9M 2022") and 30 September 2021 ("9M 2021")

CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

Financial Performance – 9M 2022 vs 9M 2021

Revenue

The overall revenue decreased by approximately S\$0.4 million or 10.6% to approximately S\$3.3 million in 9M 2022, from approximately S\$3.7 million in 9M 2021. The revenue from staking services registered was lower by approximately S\$0.1 million from S\$3.2 million in 9M 2021 to S\$3.1 million in 9M 2022, mainly attributable to lower research and development services by approximately S\$0.3 million, partly offset by higher digital wallets and staking services by approximately S\$0.1 million, and agency service fee by approximately S\$0.1 million. 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.

In addition, the lower overall revenue was partly attributable to lower mechanical and electrical services ("M&E") by approximately S\$0.3 million as compared to 9M 2021 following the shift in business growth towards a focus on blockchain agency, consulting and staking services by the Group.

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Financial Performance – 9M 2022 vs 9M 2021 (Cont'd)

Gross profit and gross profit margin

The overall gross profit was approximately S\$2.6 million in 9M 2022, which decreased by S\$0.4 million from approximately S\$3.0 million in 9M 2021. The overall gross profit margin (“GPM”) decreased from 83.7% in 9M 2021 to 80.2% in 9M 2022.

The overall gross profit generated in 9M 2022 was mainly contributed by the blockchain technology services, of which the GPM was approximately 83.6% in 9M 2022 due to increase in revenue generated from digital wallets and staking services. The cost of sales incurred by this business segment was mainly the cost of outsourcing consulting services and commission expenses paid.

The M&E business generated a gross loss of approximately S\$0.05 million in 9M 2022 mainly due to a delay in an ongoing project, as compared to a gross profit of approximately S\$0.13 million in 9M 2021.

Other operating income

Other operating income increased by approximately S\$0.02 million, from approximately S\$0.57 million in 9M 2021 to approximately S\$0.59 million in 9M 2022. This was primarily due to (i) gain on liquidation of approximately S\$0.29 million of Acmes-Kings Corporation Pte Ltd, a subsidiary which is currently under creditors’ voluntary liquidation (9M 2021: Nil), (ii) gain on disposal of subsidiary DLF Engineering Pte Ltd of approximately S\$0.15 million (9M 2021: Nil), partly offset by amount owing to the two liquidated subsidiaries (Acmes Power Building Services Pte Ltd and Acmes Properties Pte Ltd) of approximately S\$0.32 million written off in 9M 2021 following the formal dissolution of these subsidiaries (9M 2022: Nil), and discount received from a service provider of approximately S\$0.06 million for settlement of outstanding balances (9M 2022: Nil).

Operating Expenses

Selling and distribution expenses were approximately S\$1.3 million in 9M 2022 and increased by approximately S\$0.4 million as compared to 9M 2021. The selling and distribution expenses mainly comprised (i) marketing consultancy and advertising services of approximately S\$0.7 million, and (ii) salaries for sales and marketing staff of approximately S\$0.6 million. The increase in selling and distribution expenses was mainly due to increase in headcount and expenses incurred to promote the blockchain business.

Administrative expenses were approximately S\$3.0 million in 9M 2022, which increased by approximately S\$0.7 million from approximately S\$2.3 million in 9M 2021. The increase in the administrative expenses was mainly attributable to (i) higher staff costs of approximately S\$0.5 million due to an increase in headcount in 9M 2022, and (ii) higher outsourcing fees incurred for product development of approximately S\$0.3 million. Higher expenses were offset by saving from (i) lower recruitment expenses of approximately S\$0.1 million, and (ii) lower audit and professional fees provision of approximately S\$0.1 million.

Other operating expenses were approximately S\$3.4 million in 9M 2022, increased from approximately S\$0.1 million in 9M 2021. The other operating expenses mainly consist of (i) impairment loss on crypto assets of approximately S\$2.6 million as a result of lower market prices of crypto assets due to weakened cryptocurrency market in 9M 2022, and (ii) loss on disposal of crypto assets of approximately S\$0.7 million.

Finance costs

The finance costs incurred were approximately S\$338 in 9M 2022 (9M 2021: S\$1,956) for a new office lease commencing in September 2022.

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Financial Performance – 9M 2022 vs 9M 2021 (Cont'd)

Income tax expenses

No income tax expenses were incurred in 9M 2022 (9M 2021: S\$108,286).

Total comprehensive loss for the period

As a result of the foregoing, the comprehensive loss for the nine months under review increased by approximately S\$4.3 million to approximately S\$4.1 million in 9M 2022 from a profit of approximately S\$0.2 million in 9M 2021.

Financial Performance – 3Q 2022 vs 3Q 2021

Revenue

The overall revenue decreased by approximately S\$1.7 million or 82.5% to approximately S\$0.3 million in 3Q 2022, from approximately S\$2.0 million in 3Q 2021. The revenue from staking services registered was lower by approximately S\$1.6 million from S\$1.98 million in 3Q 2021 to S\$0.34 million in 3Q 2022, mainly attributable to lower research and development services by approximately S\$0.67 million, and lower digital wallets and staking services by approximately S\$0.97 million as a result of lower market prices of crypto assets due to weakened cryptocurrency market in 3Q 2022 compared to 3Q 2021.

In addition, the lower overall revenue was attributable to lower mechanical and electrical services ("M&E") by approximately S\$0.04 million as compared to 3Q 2021 following the shift in business growth towards a focus on blockchain agency, consulting and staking services by the Group.

Gross profit and gross profit margin

The overall gross profit was approximately S\$0.3 million in 3Q 2022, which decreased by S\$1.5 million from approximately S\$1.8 million in 3Q 2021. The overall GPM decreased from 90.5% in 3Q 2021 to 72.9% in 3Q 2022.

The overall gross profit generated in 3Q 2022 was mainly contributed by the blockchain technology services, of which the GPM was approximately 73.4% in 3Q 2022. The cost of sales incurred by this business segment was mainly the cost of outsourcing consulting services and commission expenses paid.

The M&E business generated lower gross loss of approximately S\$0.001 million in 3Q 2022 as compared to a gross loss of approximately S\$0.016 million in 3Q 2021.

Other operating income

Other operating income decreased by approximately S\$0.3 million, from approximately S\$0.5 million in 3Q 2021 to approximately S\$0.2 million in 3Q 2022. 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\$0.32 million written off in 3Q 2021 following the formal dissolution of these subsidiaries (3Q 2022: Nil), and (ii) reversal of impairment on other receivables collected of approximately S\$0.04 million in 3Q 2021 (3Q 2022: Nil). The decrease was partially offset by gain on disposal of subsidiary DLF Engineering Pte Ltd of approximately S\$0.15 million in 3Q 2022 (3Q 2021: Nil).

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Financial Performance – 3Q 2022 vs 3Q 2021 (Cont'd)

Operating Expenses

Selling and distribution expenses were approximately S\$0.52 million in 3Q 2022 and increased by approximately S\$0.01 million as compared to 3Q 2021. The selling and distribution expenses mainly comprised (i) marketing consultancy and advertising services of approximately S\$0.3 million, and (ii) salaries for sales and marketing staff of approximately S\$0.22 million. The increase in selling and distribution expenses was mainly due to increase in headcount and expenses incurred to promote the blockchain business.

Administrative expenses were approximately S\$1.0 million in 3Q 2022, which decreased by approximately S\$0.1 million from approximately S\$1.1 million in 3Q 2021. The decrease in the administrative expenses was mainly attributable to lower audit and professional fee provision by S\$0.1 million, lower investor relation fee by S\$0.06 million and lower outsourcing fee incurred for product development of approximately S\$0.09 million, offset by higher staff costs of approximately S\$0.15 million due to an increase in headcount in 3Q 2022.

Other operating expenses were approximately S\$0.04 million in 3Q 2022 (3Q 2021: Other operating income of S\$0.1 million). The other operating expenses mainly consist of (i) loss on disposal of crypto assets of approximately S\$0.63 million (3Q 2021: S\$0.04 million) and net unrealised forex loss of S\$0.04 million (3Q 2021: S\$0.001 million), offset by reversal of impairment loss on crypto assets of approximately S\$0.63 million (3Q 2021: S\$0.13 million) as a result of higher market prices of crypto assets compared to prior quarter.

Finance costs

The finance costs incurred were approximately S\$338 in 3Q 2022 (3Q 2021: S\$579) for a new office lease commencing in September 2022.

Income tax expenses

No income tax expenses were incurred in 3Q 2022 (3Q 2021: S\$13,382).

Total comprehensive loss for the period

As a result of the foregoing, the comprehensive loss for the three months under review increased by approximately S\$1.7 million to approximately S\$0.9 million in 3Q 2022 from a profit of approximately S\$0.8 million in 3Q 2021.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Non-current assets decreased by approximately S\$2.1 million to approximately S\$11.4 million as at 30 September 2022 from approximately S\$13.5 million as at 31 December 2021. The decrease was mainly due to a decrease in intangible assets of approximately S\$2.2 million. The decrease in intangible assets was mainly due to a decrease in the value of crypto assets of approximately S\$3.1 million due to lower market prices of crypto assets, offset by (i) an increase in goodwill of approximately S\$0.4 million due to currency gain arising from translation, and (ii) higher software development costs of approximately S\$0.5 million.

Current assets decreased by approximately S\$3.8 million to approximately S\$2.4 million as at 30 September 2022 from approximately S\$6.2 million as at 31 December 2021, mainly due to a reduction in cash and bank balances of approximately S\$4.1 million, following the partial repayment of loan to a shareholder of approximately S\$0.3 million and payment for operating expenses of approximately S\$3.8 million. The decrease in current assets was partly offset by higher trade and other receivables by approximately S\$0.3 million.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

Non-current liabilities increased by approximately S\$3.1 million to approximately S\$3.7 million as at 30 September 2022 from approximately S\$0.6 million as at 31 December 2021. The increase was mainly due to (i) the reclassification of loans from shareholder from current liabilities of approximately S\$3.3 million, following the Company's entry into an agreement with the shareholder (North Ventures Pte Ltd) to extend the repayment date of the shareholder loans to after 15 October 2023, and (ii) an increase in lease liabilities by approximately S\$0.05 million. The increase was partially offset by lower contract liabilities by approximately S\$0.24 million following the fulfilment of contract obligations.

Current liabilities decreased by approximately S\$5.0 million to approximately S\$4.7 million as at 30 September 2022 from approximately S\$9.7 million as at 31 December 2021. The decrease was primarily due to (i) reclassification of loans from shareholder to non-current liabilities by approximately S\$3.3 million, (ii) reduction in trade and other payables of approximately S\$1.3 million following the repayment of trade payables, (iii) partial repayment of shareholder's loans of approximately S\$0.3 million, (iv) decrease in contract liabilities of approximately S\$0.14 million following the fulfilment of contract obligations, and (v) repayment of tax liabilities of approximately S\$0.19 million.

As a result, the Group recorded a negative working capital of approximately S\$2.3 million as at 30 September 2022 as compared to a negative working capital of approximately S\$3.5 million as at 31 December 2021.

Notwithstanding the negative net working capital position, 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 won't lead to the actual cash payment by the company including contract liabilities of \$348,940 (which relate to agency service fee collected in advance to be recognised to profit and loss over the remaining period of the agreement);
- (b) The crypto-currencies of \$2,331,336 which can be converted to fiat currencies easily are included in the intangible assets in the non-current assets; and
- (c) Based on the expected cashflow forecast, including those from our blockchain business, the Group has sufficient cash to fulfil its current obligations as and when they fall due.
- (d) 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.

The shareholder equity decreased by approximately S\$4.0 million from approximately S\$9.5 million as at 31 December 2021 to approximately S\$5.5 million as at 30 September 2022. This was primarily attributable to the total comprehensive loss incurred for the current financial period of approximately S\$4.1 million.

CONSOLIDATED STATEMENT OF CASH FLOWS

9M 2022 vs 9M 2021

The Group's net cash outflow in operating activities was approximately S\$3.0 million in 9M 2022. This consisted of cash used in operating activities before changes in working capital of approximately S\$2.6 million, net working capital outflow of approximately S\$0.2 million and income tax paid of approximately S\$0.19 million. The discrepancy between loss 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\$1.9 million which was accounted under intangible assets but not treated as cash and cash equivalents for accounting purposes.

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

9M 2022 vs 9M 2021 (Cont'd)

A net cash outflow of approximately S\$0.9 million was recorded in investing activities in 9M 2022, primarily due to the payment of software development costs of approximately S\$0.6 million, and purchase of crypto assets of approximately S\$0.3 million.

A net cash outflow of S\$0.3 million was recorded in financing activities in 9M 2022. This was due to partial repayment of loans from shareholder of S\$0.3 million.

3Q 2022 vs 3Q 2021

The Group's net cash outflow in operating activities was approximately S\$1.1 million in 3Q 2022. This consisted of cash used in operating activities before changes in working capital of approximately S\$1.0 million, net working capital inflow of approximately S\$0.03 million and income tax paid of approximately S\$0.12 million. The discrepancy between loss 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\$0.24 million which was accounted under intangible assets but not treated as cash and cash equivalents for accounting purposes.

A net cash outflow of approximately S\$0.4 million was recorded in investing activities in 3Q 2022, primarily due to the payment of software development costs of approximately S\$0.2 million, and purchase of crypto assets of approximately S\$0.1 million.

A net cash outflow of S\$0.004 million was recorded in financing activities in 3Q 2022. This was due to repayment of lease liabilities.

21. 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.

22. 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\$3.1 million revenue for 9M 2022. It was noted that the weakened cryptocurrency prices experienced in 2022, coupled with the collapse of several major cryptocurrency firms in the recent months, have resulted in reduced investors' appetite for cryptocurrency and in-turn impacted the revenue from the staking business of the Group especially for 3Q 2022. However, with the completion of the long anticipated Ethereum Merge in September 2022, which is expected to bode well for the long-term development of blockchain and cryptocurrency industry, as well as the general consensus amongst economists that the interest rate hikes as announced by the Federal Reserve will begin to slow down from 2023, the management is confident that the revenue generated by the staking business will rebound and contribute positively the performance of the Group. The Group will continue to ramp-up its efforts to focus on projects with positive cash flows and to further develop a suite of products and manpower in anticipation of improving market conditions. The Group does not hold or acquire crypto assets for speculative purposes and is adopting prudence risk management approach to mitigate the market price risk of crypto assets.

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In FY 2021, the Group raised US\$5,342,000 from the series of placement of ordinary shares as well as secured a US\$2,000,000 interest free loan from the controlling shareholder, North Ventures Pte Ltd. Utilising a part of the proceeds from these exercises, the Group continues to work on various initiatives in the fast-moving blockchain and digital asset sectors for our long-term growth. In addition, the Group will continue to explore various additional funding options depending on the market conditions as well as the nature of the growth investment in the blockchain technology business segment.

On 12 August 2022, the Group announced the completion of the disposal of shares in DLF Engineering Pte Ltd. On 27 October 2022, the Group announced the placement of the remaining M&E Engineering Services subsidiaries, being DLF Pte Ltd and DLF Prosper Venture Pte Ltd, under Creditors' Voluntarily Liquidation. These are in alignment with the Group's intention to exit from the M&E Engineering Services business segment entirely in order to focus its resources wholly on its growing blockchain technology services business moving forward.

23. 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.

24. If no dividend has been declared/ recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the financial period ended 30 September 2022 in view of the loss incurred during the financial period and to conserve cash for the Group's business operations and growth.

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25. **If the group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from shareholders for IPT pursuant to Rule 920(1)(a)(ii) of the Catalist Rules. There were no IPT entered into by the Group for 9M 2022 as required to be disclosed pursuant to Rule 1204(17) of the Catalist Rules.

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

As announced by the Company on 10 February 2022, the Company’s indirectly wholly owned subsidiary, being ACMES-Kings Corporation Pte Ltd, will be placed into creditors’ voluntary liquidation (“**CVL**”). On 21 February 2022, the Company announced that Acmes-Kings has been placed under creditors’ voluntary liquidation pursuant to the resolutions deemed passed at the extraordinary general meetings of the Subsidiary. This subsidiary is consolidated until the date they cease to be a subsidiary of the Group. The CVL is not expected to have any material impact on the net tangible assets per share and earnings per share of the Company and the Group.

As announced by the Company on 12 August 2022, the Company has completed the disposal of shares in DLF Engineering Pte Ltd.

As announced by the Company on 27 October 2022, the Company has applied for creditors’ voluntary liquidation for DLF Pte Ltd and DLF Prosper Venture Pte Ltd. These subsidiaries are consolidated until the date they cease to be a subsidiary of the Group. The CVL is not expected to have any material impact on the net tangible assets per share and earnings per share of the Company and the Group.

27. **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 condensed interim financial results for the third quarter and nine months ended 30 September 2022 to be false or misleading in any material aspect.

Fan Chee Seng
Executive Chairman

Yusaku Mishima
Executive Director

28. **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 16.1 for further information on the increase in share capital.

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28. Use of Proceeds (Cont'd)

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	(1,500,000)	-
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	(2,369,000)	-

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

Purposes	US\$
Software development/ maintenance expenses	969,276
Sales/marketing expenses and other miscellaneous expenses	530,724
Total	1,500,000

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.

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.

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28. Use of Proceeds (Cont'd)

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	(240,000)	-
Working capital and general corporate purposes (including the repayment of the Group's liabilities)	160,000	(160,000)	-
Total	400,000	(400,000)	-

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.

(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.

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28. Use of Proceeds (Cont'd)

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	(416,095)	1,109,105
Working capital and general corporate purposes (including the repayment of the Group's liabilities)	1,016,800	(1,016,800)	-
Total	2,542,000	(1,432,895)	1,109,105

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	515,844
Payment of monthly personnel costs and professional fees	500,956
Total	1,016,800

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.

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

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

OIO HOLDINGS LIMITED

BY ORDER OF THE BOARD

Manfred Fan Chee Seng
Executive Chairman

10 November 2022

*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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