



OxPay Financial Limited
(Company Registration No. 200407031R)

METAVVERSE



WORK, SHOP, PLAY SIMPLIFIED

ANNUAL REPORT
2021

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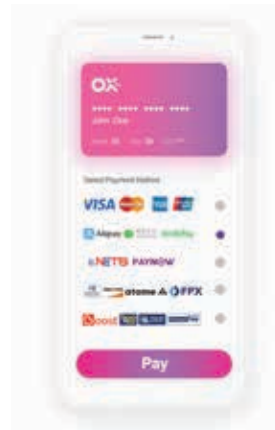
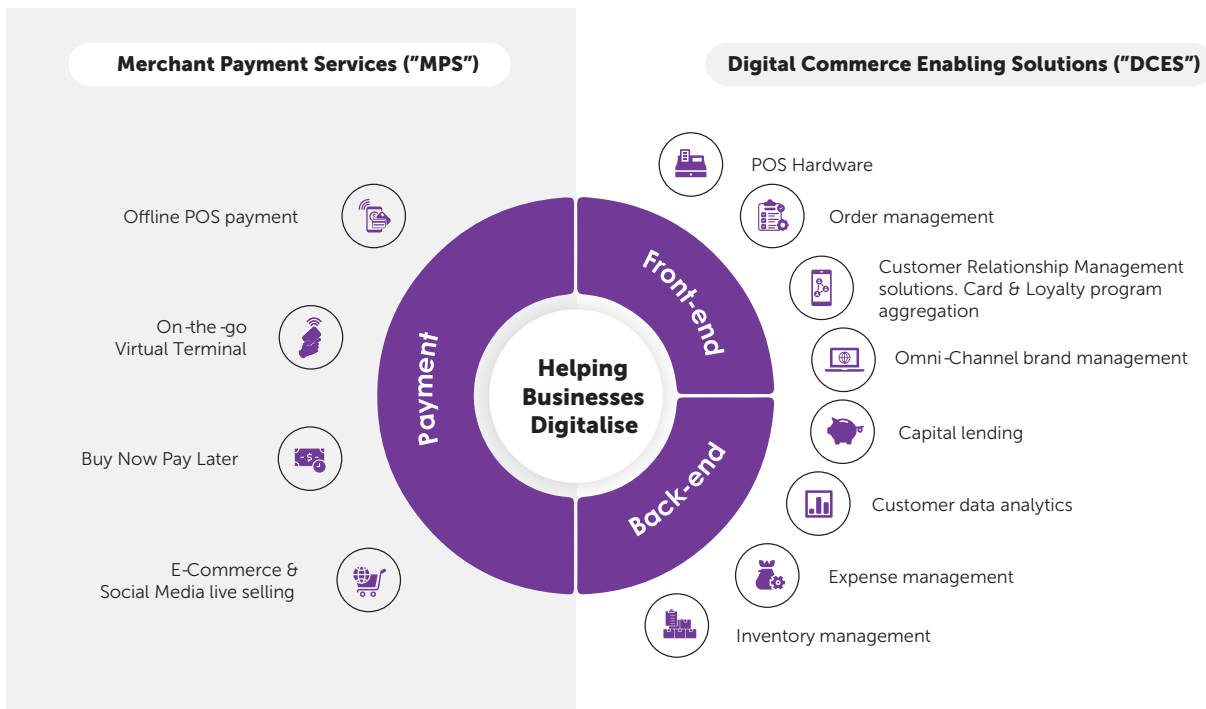
This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst. This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report including the correctness of any of the statements or opinions made or reports contained in this annual report. The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896, telephone (65) 6636 4201.



CORPORATE PROFILE

OxPay Financial Limited (“**OxPay**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) (formerly known as MC Payment Limited) was established in 2005 as an online-to-offline financial services technology provider with a fully integrated platform that allows both online and offline merchants to run and grow their businesses easily.

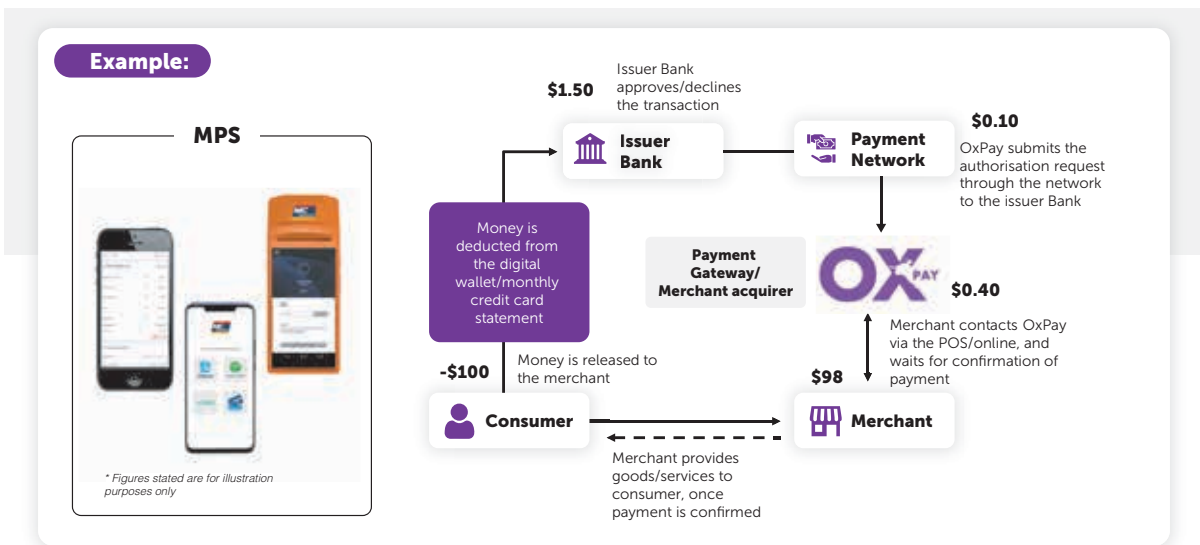
OxPay’s role as an enabler in the payment ecosystem provides merchants with the ability to seamlessly manage payment collection, improve operation efficiency and increase sales completion rate. Today, OxPay’s brand presence within the Southeast Asia Region is a testament to the effectiveness and reliability of our secured payment platform in helping businesses meet the changing needs of their industry.



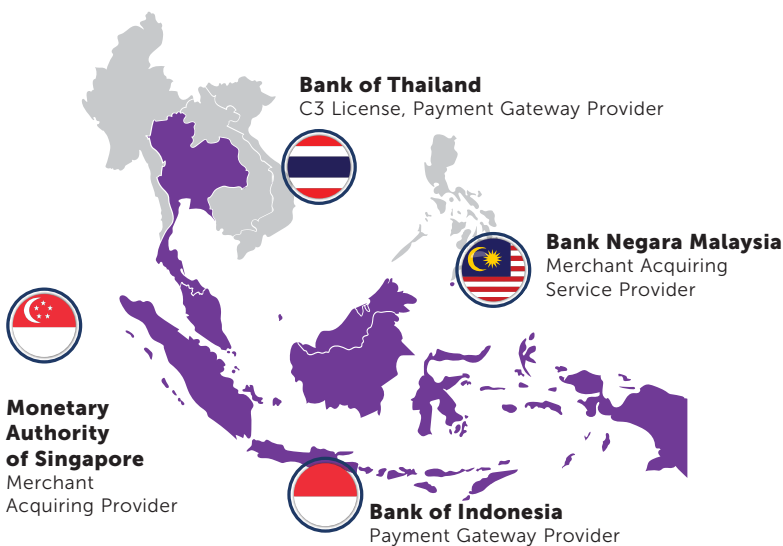
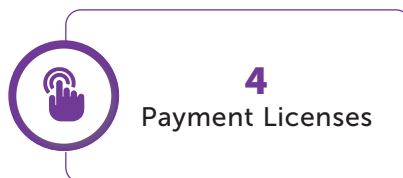
CORPORATE PROFILE

A. MERCHANT PAYMENT SERVICES ("MPS")

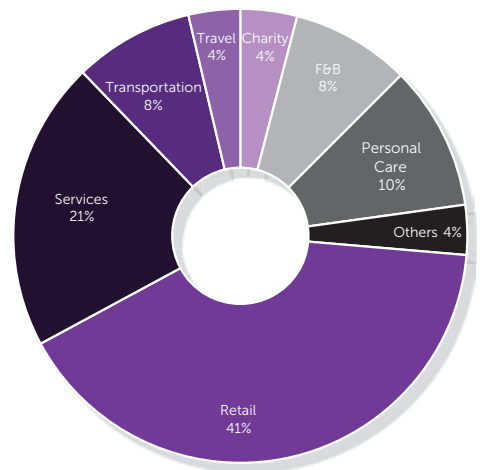
OxPay provides payment processing services through a unified platform and smart software, which are designed for merchants with physical stores, websites, or applications, enabling integration with any smart devices including mobile phones, tablets, and Smart point-of-sale ("POS") terminals.



Currently, OxPay has a presence in Singapore, Malaysia, Indonesia, and Thailand.

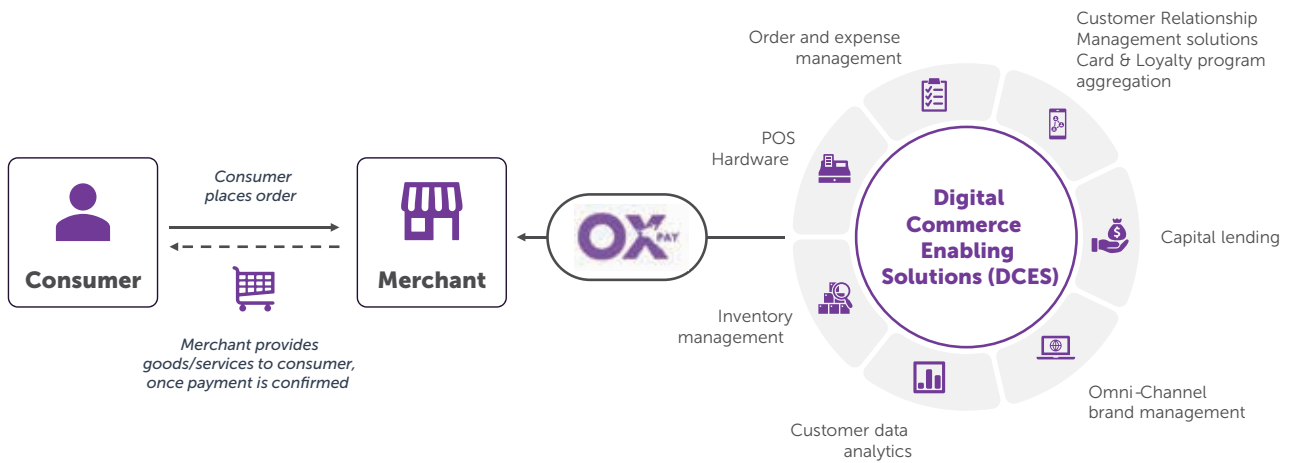


Touchpoints By Sector



B. DIGITAL COMMERCE ENABLING SOLUTIONS (“DCES”)

Provision of ancillary services, such as the sale and lease of Smart POS terminals, and provision of both proprietary and licensed software-as-a-service which can be white-labeled. This segment also develops bespoke software solutions for its merchants.



MESSAGE TO SHAREHOLDERS



DEAR SHAREHOLDERS

OxPay is the first digital payments services firm listed on the Catalist Board of SGX-ST, after successfully completing the reverse takeover (“**RTO**”) of Artivision Technologies Ltd. on 18 February 2021. On 2 September 2021, the financial technology company changed its name to OxPay Financial Limited from MC Payment Limited to signify the new direction of the Group, moving forward under its new management.

OxPay provides both merchant payment services (“**MPS**”) and digital commerce enabling services (“**DCES**”), with a focus on servicing merchants in the retail, transportation as well as food and beverage industries.

Over the past year, OxPay has made substantial progress in expanding its business segments on several fronts, which enabled the Group to report an adjusted net profit for the financial year ended 31 December 2021 (“**FY2021**”) versus a net loss in the financial year ended 31 December 2020 (“**FY2020**”).

The Group reported a 59% increase in revenue to S\$17.6 million in FY2021 as compared to FY2020, driven mainly by increased sales from its MPS and DCES business segments. Gross profit margin increased to 58% in FY2021 from 32% in FY2020. Overall gross profit increased by 188% to S\$10.3 million in FY2021, as revenue and economies of scale increased but cost of sales remained stable. As a result, the Group achieved an adjusted net profit of S\$2.6 million, before deemed RTO listing expenses and non-recurring charges relating to the RTO, in FY2021, versus a net loss of S\$1.9 million in FY2020.

The Group generated strong positive operating cashflow of S\$20.2 million in FY2021.

With the COVID-19 pandemic accelerating the digitalisation of payments, and consumers shifting from physical cash to digital and contactless payment options at an unprecedented rate, the Group remains optimistic about its long-term opportunities.

In particular, OxPay believes the following trends will underpin robust growth in the regional payments industry:

- a. The Payment-as-a-Service market is expected to register a CAGR of 31.2% between 2021 and 2026¹, driven by increasing smartphone penetration rates, a structural shift towards digital and cashless payments and the rise in e-commerce businesses. Markets in the Asia-Pacific region are expected to show the fastest growth rates.
- b. Continued expansion of digital payments and its broader ecosystem, where ASEAN digital payments transaction volume is forecasted to grow from US\$707 billion from 2019 to US\$1,169 billion by 2025².
- c. The rapidly increasing user adoption of Buy Now, Pay Later (“**BNPL**”) schemes over traditional payment methods within Southeast Asia. The industry is expected to grow more than four-fold from US\$7.3 billion in 2019 to US\$33.6 billion in 2027³. The BNPL scheme leverages on the large under-banked population and attractive demographics across Southeast Asia.

Over the past year, OxPay has identified and executed four “E-Growth” strategies that bode well for its outlook:

¹ <https://www.mordorintelligence.com/industry-reports/payment-as-a-service-market>

² <https://www.businesstimes.com.sg/globalenterprise/features/embrace-digital-paymentsnow-to-profit-from-tomorrow%E2%80%99seamless-ecosystem#:~:text=Indeed%2C%20the%20growth%20in%20Asean,US%241%2C169%20billion%20by%202025.>

³ <https://vulcanpost.com/769427/wild-digital-sea-2021-buy-now-pay-later-growth/>

1. Expand customer base – Over the past year, the Group added several new clients and increased its total number of touch points. They include Thailand's first integrated food ecosystem HIVE Ventures, introducing Grabpay payment processing for Watsons outlets in Singapore, rolling out e-payment services for Malaysia's educational services industry, as well as launching and managing e-payment platforms for MUIS (the Islamic Religious Council of Singapore). It also partnered with BNPL providers, including Payslowslow in Singapore and IOUpay in Malaysia, to expand its presence in the BNPL market.
2. Enhance products and services – To ensure that the Group provides a comprehensive set of solutions for its customers, it continues to enhance products and services on its platform, such as:
 - a. Adding more payment methods to its platform, including ShopeePay, Rabbit Line Pay in Thailand.
 - b. Partnering TripleA to offer local merchants the ability to handle cryptocurrency transactions.
 - c. The Group also integrated complementary services for its merchants to boost their competitiveness in the market, including processing BNPL transactions on its platform, providing social media live selling solutions, as well as partnering cross-border payment platform Transwap to offer neobanking solutions.
3. Extend geographical reach – The Group intends to continue broadening its geographical presence by applying for and/or acquiring new payment

licences in other markets or through partnerships with regional players. In this instance, the Transwap partnership gives the Group a foothold in the UK and other European markets.

4. Enlarge company portfolio – OxPay has also announced the proposed acquisition of up to 20% stake in mobile app developer AppsPOS, which will accelerate its merchant acquisition programme, as it gives the Group immediate access to AppsPOS' network of over 300 food and beverage and retail merchants.

As OxPay looks forward to leveraging the robust growth opportunities ahead, I would like to thank the management team and staff for their dedication and commitment over the last financial year, as well as shareholders for their continued support and belief in the Group.

CHING CHIAT KWONG

Non-Executive Non-Independent Chairman

TAN CHEE KEONG

Managing Director

REVIEW OF OPERATIONS

STATEMENT OF COMPREHENSIVE INCOME

Revenue in FY2021 increased by 58% or S\$6.4 million, from S\$11.1 million in FY2020 to S\$17.5 million in FY2021. The increase in revenue was mainly due to the increase in sales for both the MPS and DCES business segments, resulting from the acquisition of new customers and increase in spending by end consumers. Both the MPS and DCES business segments had also improved its sales performance in Singapore and Malaysia, respectively. Overall, this led to an increase in profit before tax. Excluding the one-time RTO listing expenses and related expenses, the Group recorded an adjusted net profit of S\$2.6 million in FY2021.

The rise in revenue, coupled with an expansion in gross margin from 32% in FY2020 to 58% in FY2021, resulted in the FY2021 gross profit jumping 188% year-on-year to S\$10.3 million. The improvement in gross profit margin was mainly due to the increase in revenue due to scaling, where costs of sales were largely fixed and economies of scale was achieved.

Other income increased by 97% or S\$0.2 million in FY2021 mainly due to increase on gain from early redemption of the convertible bonds which were fully redeemed in FY2021 and an increase in sundry income.

Administrative expenses increased by S\$4.8 million, from S\$3.5 million in FY2020 to S\$8.3 million in FY2021. The increase in administrative expenses was mainly due to the increase in employee compensation, professional and legal fees, one-time RTO listing expenses and other administrative expenses of S\$0.7 million, S\$0.4 million, S\$3.4 million and S\$1.0 million, respectively, partially offset by a decrease in SGX listing and related expenses of S\$0.7 million.

Impairment loss on trade and other receivables increased from S\$0.7 million in FY2020 to S\$2.2 million in FY2021 mainly due to one overdue account receivable. Other operating expenses decreased from S\$0.8 million in FY2020 to S\$0.6 million in FY2021 mainly due to the decrease in amortisation of intangible assets of S\$0.2 million in FY2021, partially offset by the increase in impairment loss on intangible assets of S\$0.1 million in FY2021.



The Group recorded share of losses from associates of S\$0.2 million arising from losses incurred by PT MCP Indo Utama in FY2021.

STATEMENT OF FINANCIAL POSITION

Non-current assets

The Group's non-current assets decreased from S\$0.9 million as at 31 December 2020 to S\$0.5 million as at 31 December 2021. This was due mainly to the impairment and amortisation of intangible assets charge in FY2021, partially offset by purchase of equipment.



Current Assets

Current assets comprised cash and cash equivalents, and trade and other receivables. Current assets increased by S\$19.3 million from S\$10.7 million as at 31 December 2020 to S\$30.0 million as at 31 December 2021, mainly due to the increase in cash and cash equivalents of S\$22.9 million, partially offset by a decrease in trade and other receivables of S\$3.7 million due mainly to the impairment loss of a trade receivable in FY2021. The increase in cash and cash equivalent was mainly attributable to the increase in revenue and net proceeds from the share placement of 10 million new shares.

Current liabilities

Current liabilities comprised trade and other payables, loans and borrowings, and convertible bonds (which were repaid in 2021). Current liabilities increased by S\$12.9 million, from S\$12.1 million as at 31 December 2020 to S\$25.0 million as at 31 December 2021.



Trade and other payables increased by S\$13.7 million, from S\$10.7 million as at 31 December 2020 to S\$24.4 million as at 31 December 2021. This was due mainly to the increase in merchant payables. Loans and borrowings increased to S\$0.7 million due mainly to loan from a controlling shareholder assumed by the Group during the RTO.

Convertible bonds decreased by S\$1.4 million as they were fully repaid in FY2021.

STATEMENT OF CASH FLOWS

The Group's cash and cash equivalents increased by S\$22.9 million, from S\$3.5 million as at 31 December 2020 to S\$26.4 million as at 31 December 2021. The increase in cash and cash equivalents in FY2021 was due mainly to:

- I. Cash generated from operating activities of S\$20.1 million;
- II. Cash generated from financing activities of S\$1.8 million, mainly due to the net proceeds from issuance of new shares of S\$3.3 million, partially offset by repayment of convertible bonds of S\$1.4 million; and
- III. Cash generated from investing activities of S\$1.2 million, mainly due to Company's cash balance consolidating into the Group arising from the RTO, partially offset by purchase of plant and equipment and additional investment in associate.

PROFILE OF DIRECTORS



CHING CHIAT KWONG

Non-Executive Non-Independent Chairman

Mr Ching Chiat Kwong (“**Mr Ching**”) is the Executive Chairman and CEO of Oxley Holdings Limited, a company listed on the Main Board of the SGX-ST. He is responsible for the formulation of corporate strategies, charting future growth plans and driving overall performance of the Oxley Holdings Group.

Mr Ching possesses 20 years of property industry experience. Prior to establishing the Oxley Holdings Group, he invested in, developed and successfully launched 13 residential projects in various parts of Singapore. His keen business acumen and astute ability to identify market trends and business opportunities have enabled him to lead the Oxley Holdings Group’s expansion into the development of industrial and commercial projects in addition to residential properties. Under Mr Ching’s leadership, the Oxley Holdings Group completed the then-largest initial public offering on the Catalist of the SGX-ST in 2010.

Apart from his commitments at Oxley, Mr Ching sits on the boards of Pindan Group Pty. Ltd. and Aspen (Group) Holdings Limited. Mr Ching received the 2017 Real Estate Personality of the Year awards at PropertyGuru Asia Property Awards (Singapore) and EdgeProp Singapore Excellence Awards 2017. Mr Ching is also an active supporter of programmes that benefit the elderly and socially disadvantaged. He sits on the boards of THK Nursing Home Limited and Ren Ci Hospital.

Mr Ching graduated with a Bachelor of Arts degree and a Bachelor of Social Sciences (Honours) degree from National University of Singapore in 1989 and 1990 respectively.



SHAWN CHING WEI HUNG

Non-Executive Non-Independent Deputy Chairman

Mr Shawn Ching Wei Hung (“**Mr Shawn Ching**”) is currently the Executive Director and Group General Manager of Oxley Holdings Limited.

Mr Shawn Ching is responsible for the general operations and administration of the Oxley Holdings Group. Prior to the foregoing appointment in November 2018, he was a Project Manager at Oxley Holdings Limited.

Mr Shawn Ching graduated from the University of Buckingham with a Bachelor of Science degree in Business and Management with first class honours. Thereafter, he went on to obtain a Master of Science degree in Sustainable Urban Development from the University of Oxford.

Mr Shawn Ching sits on the Board of Regents of Harris Manchester College, University of Oxford.



TAN CHEE KEONG

Managing Director

Mr Tan Chee Keong (“**Mr Tan**”) possesses extensive experience in the payments space. He is responsible for the overall strategic direction and development of the Group as well as for overseeing the marketing efforts and the technical operations of the Group.

Prior to joining the Group, he was the Head of Payments Consulting for Singapore, Thailand and the Global Client Group for the Asia Pacific region at American Express, where he led a team of payment consultants to develop strategy and manage the delivery of new payment platforms and products across the region.

Prior to his appointment at American Express, Mr Tan was the Group Head of Commercial Cards & Merchant Acquiring at Citibank Singapore where he led the team entering into B2B payments, collaborating with financial technology partners and key global merchants.

Mr Tan graduated from Edinburgh Napier University with a Bachelor’s in Human Resource Management with Financial Management. He also holds a Diploma in Equities & Investment Analysis (Portfolio Management) from the Singapore Human Resources Institute.



NG WENG SUI HARRY

Non-Executive Non-Independent Director

Mr Ng Weng Sui Harry (“**Mr Harry Ng**”) is currently the executive director of HLM (International) Corporate Services Pte. Ltd., a company that provides business consultancy, accounting and corporate services. Prior to this position, he was the chief financial officer with a number of companies listed on the SGX-ST.

Mr Harry Ng has more than 30 years of experience in finance, accounting and audit. He currently sits on the boards of a number of companies listed on the SGX-ST, as an independent director and chairman of the audit committees.

Mr Harry Ng is a Fellow Member of the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants (UK). He obtained a Master of Business Administration (General Business Administration) from The University of Hull, UK.

PROFILE OF DIRECTORS



CHEE KHENG HOCK ROTHSCHILD

Non-Executive Independent Director

Mr Chee Kheng Hock Rothschild (“**Mr Rothschild Chee**”) was the co-founder and Chief Commercial Officer of Red Dot Payment and the General Manager of Red Dot Payment’s overseas subsidiaries. His role covered sales, operations, finance, risk management and strategy. Red Dot Payment is a financial technology company with offices in Southeast Asia, Europe and Australia that provides online payment gateway systems, payment consulting and merchant acquisition services.

Mr Rothschild Chee graduated from the National University of Singapore with a Bachelor in Economics and Sociology. He went on to obtain his Masters in Applied Finance from Macquarie University.



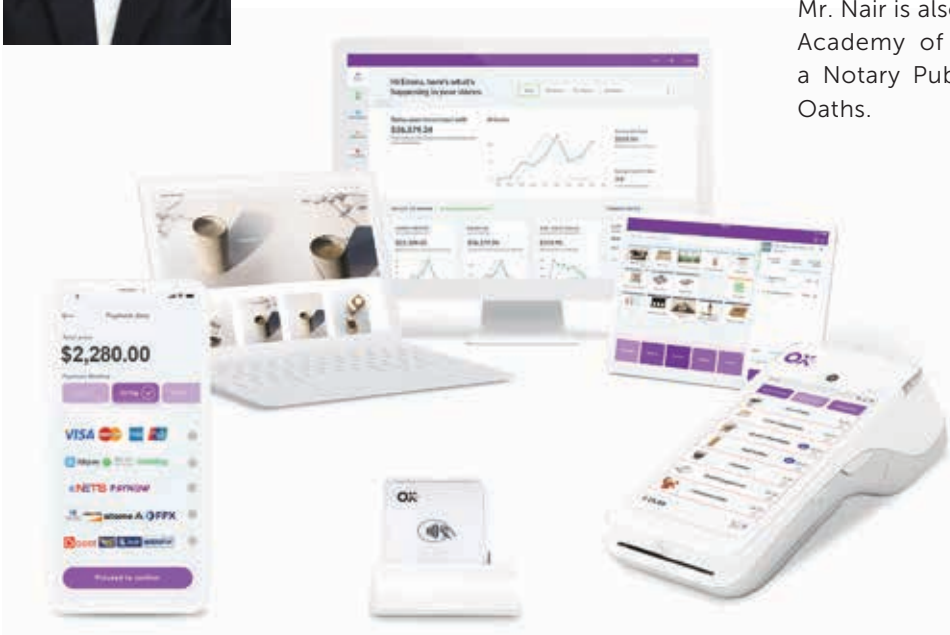
KESAVAN NAIR

Non-Executive Independent Director

Mr Kesavan Nair (“**Mr Nair**”) has over 30 years of experience in legal practice and is currently a Director of Bayfront Law LLC.

He is also an independent director of a number of companies listed on the SGX-ST such as Medi Lifestyle Limited, HG Metal Manufacturing Limited and Arion Entertainment Limited.

Mr Nair graduated with a Bachelor of Laws (Honours) from University College of Wales in 1988. He is a Barrister-at-Law (Middle Temple, United Kingdom), Barrister and Solicitor of the High Court of Australia, Advocate & Solicitor (Supreme Court of Singapore), a member of the Law Society of Singapore, the Singapore Academy of Law and the Singapore Institute of Arbitrators. Mr. Nair is also a Fellow of the International Academy of Family Lawyers, as well as a Notary Public and a Commissioner for Oaths.



KEY MANAGEMENT



CHAN WAI KIAT

Chief Technology Officer

Mr Chan Wai Kiat (“**Mr Chan**”) has over 20 years of experience in the payments industry leading technological teams and departments and overseeing technology verticals such as product development and delivery, engineering and infrastructure and security.

He is currently heading the technological department at OxPay SG Pte. Ltd. (wholly-owned subsidiary of the Company) as its Chief Technology Officer and oversees the technological teams in

managing the Group’s current infrastructure and delivery of new products, applications and connectivity.

Prior to joining OxPay, Mr Chan held roles such as Chief Technology Officer in a payments company, and Technical Project Manager responsible for e-commerce and payment applications with a bank in Singapore.

Mr Chan graduated from RMIT University, Melbourne Australia with a BAsc in Information Technology.



NG KOK PENG

Chief Financial Officer

Mr Ng Kok Peng (“**Mr Ng**”) is responsible for the financial management, taxation, governance framework and corporate acquisition initiatives of the Group. Prior to joining the Group, he was the Chief Financial Officer with a number of companies listed on the SGX-ST.

He was also the Financial Controller at Oxley Holdings Limited from 2010 to 2014, where he led the finance department to complete its IPO in 2010, as well

as its transition into the Main Board of the SGX-ST in 2013. He has more than 20 years of combined experience in audit, finance and accounting.

Mr Ng is a Fellow Member of the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants (UK). He holds a Bachelor of Science (Honours) in Applied Accounting from Oxford Brookes University.



JOHN TAN CHIA NANG

Regional Sales Director

Mr John Tan Chia Nang (“**Mr John Tan**”) joined the Company in late 2015. In the last six years, John has led digital and e-commerce payment processing development and growth at OxPay.

Currently, he is the Regional Sales Director overseeing merchant acquisition, sales and business strategy. He works closely with the Managing Director and is responsible for the budgeted revenue numbers.

Prior to joining OxPay, Mr John Tan was the Sales Director at Checkout.com and was an Assistant Vice President for e-commerce Sales at NETS.

He holds a Bachelor’s Degree in Marketing from the National University of Ireland and a Graduate Diploma in Service Leadership from the University of Warwick.

KEY MANAGEMENT



DERRICK CHAN JIAN HAO

Senior Compliance Officer

Mr Derrick Chan Jian Hao (“**Mr Derrick Chan**”) is currently the senior compliance officer of OxPay. He oversees the compliance framework of OxPay, guiding the Group through the regulatory landscape across the regions. He is also responsible for keeping the legal and ethical integrity of OxPay intact through policy and procedure implementation and enforcement.

Mr Derrick Chan possesses years of compliance experience across varied industries in the banking and financial

technology sector. Prior to joining OxPay, he was in payments startups that offer services ranging from cross border payments to stored value facilities. He oversaw the compliance function of these companies whilst working with different business segments and levels during the growth of the companies.

Mr Derrick Chan graduated from Singapore Institute of Management with a Bachelor of Science in Banking and Finance.



KIM MOON SOO

Country Director, Malaysia

Mr Kim Moon Soo (“**Mr Kim**”) is one of the founders of OxPay and is now leading the Group’s Malaysian operations. Mr Kim is responsible for the strategic direction, key partnership, deal negotiations, product delivery, branding, communication and business compliance of the Group’s Malaysian operations. Mr Kim has over 27 years of experience in the technology industry. Mr Kim began his career in Korea in 1994 with Standard Telecom Co., Ltd.

where he was a Team Manager in charge of overseas marketing. He left in 2002 to join VK Corporation as General Manager where he oversaw the overseas marketing function. In 2005, Mr Kim left Korea for Singapore where he joined OxPay. Shortly after its incorporation, he shifted to Malaysia to build up the Group’s Malaysian operations in 2013. Mr Kim graduated with a Bachelor of Arts from Chung-Ang University, Korea, in 1993.



SATIS CHUENPIBAL

Country Director, Thailand

Mr Satis Chuenpibal (“**Mr Satis**”) has been the Country Director of the Group’s subsidiaries in Thailand since June 2017. He has the overall responsibility of leading and managing the Group’s Thailand subsidiaries.

With over 15 years of experience in the payment industry, he specialises in online-to-offline payment businesses, processing and infrastructure from a traditional

EFTPOS and ecommerce to the next generation payment. He also has extensive experience in the telecommunications and geographic information systems industries.

Mr Satis holds a Master of Engineering, major in Engineering Business Management, from Chulalongkorn University and a Bachelor of Science, major in Mathematical Science from University of North Carolina.



KEN CHEW KEAT YEOW

General Manager

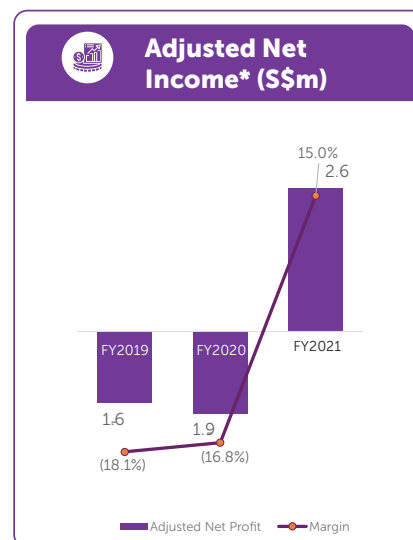
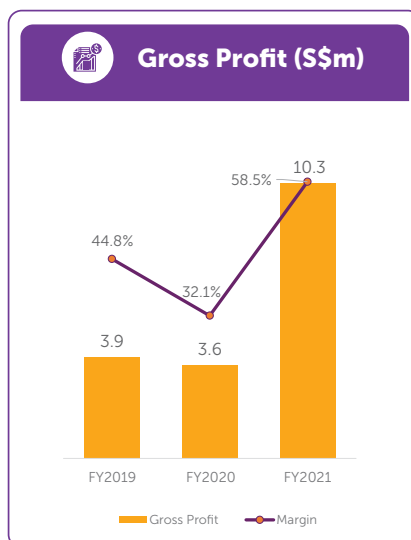
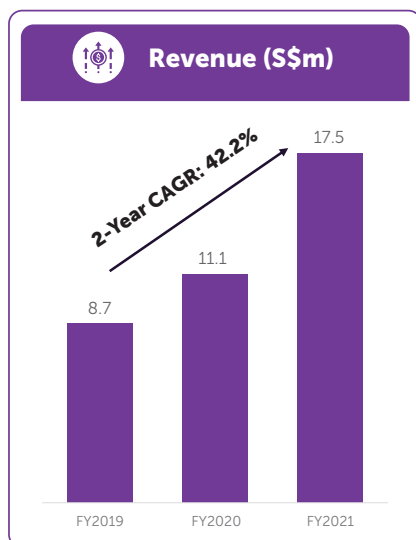
Mr Ken Chew Keat Yeow (“**Mr Ken Chew**”) was appointed as General Manager of OxPay SG Pte. Ltd. (wholly-owned subsidiary of the Company) in April 2020. Mr Ken Chew is responsible for the general operation of OxPay SG Pte. Ltd.. Prior to his current appointment, he was the Chief Technology Officer of the Company from September 2012 to December 2017.

Mr Ken Chew has over 20 years of experience in entrepreneurship, business

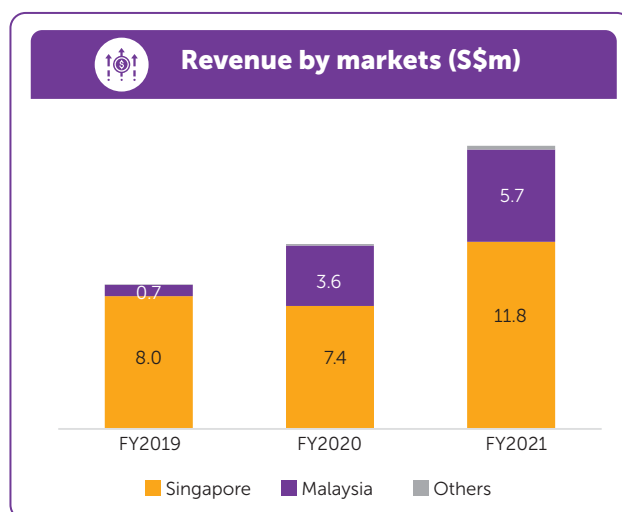
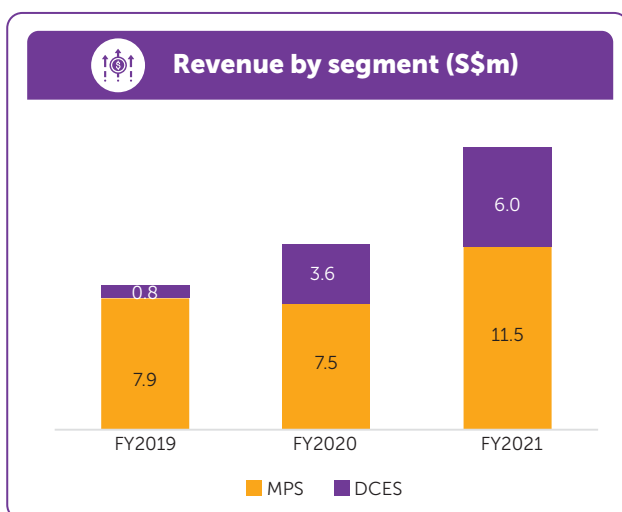
and technology. Prior to OxPay, he started his own company and also worked in a few global companies in project and technology management capacity.

Mr Ken Chew graduated with a Bachelor of Chemical Engineering (Honours) from National University of Singapore in 1998 and a Masters of Business Administration from NUS Business School in 2003.

FINANCIAL HIGHLIGHTS

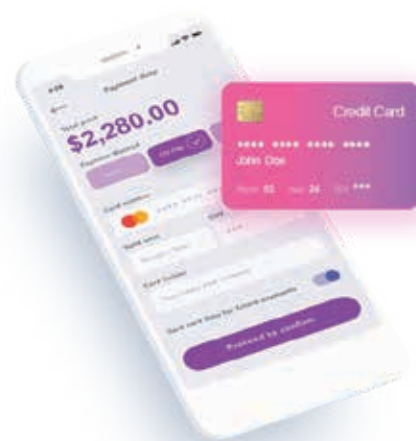


* FY2021 Adjusted net income excludes one-off deemed RTO listing expenses of S\$26.4 million and non-recurring expenses relating to RTO transaction of S\$3.6 million



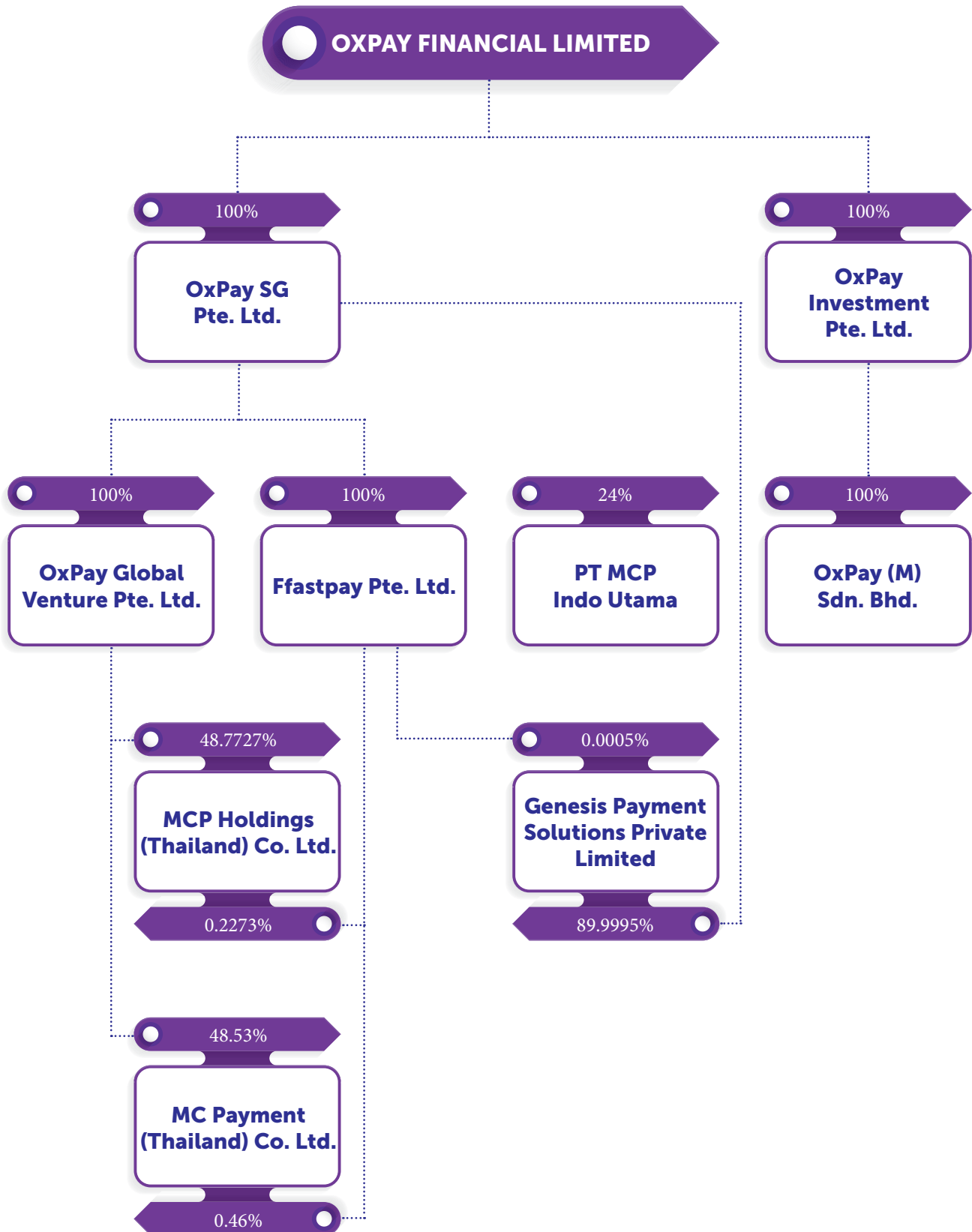
Consolidated Statement of Financial Position

	As at 31 Dec 2021 S\$m	As at 31 Dec 2020 S\$m
Non-Current Assets	0.5	0.9
Current Assets	30.0	10.7
Total Assets	30.5	11.6
Non-Current Liabilities	-	-
Current Liabilities	25.0	12.1
Total liabilities	25.0	12.1
Equity Attributable to Owners of the Company	5.9	(0.4)
Non-Controlling Interests	(0.5)	(0.2)
Total Equity	5.4	(0.6)



GROUP STRUCTURE

Post 31 December 2021



CORPORATE INFORMATION

BOARD OF DIRECTORS

CHING CHIAT KWONG *Non-Executive Non-Independent Chairman*

SHAWN CHING WEI HUNG *Non-Executive Non-Independent Deputy Chairman*

TAN CHEE KEONG *Managing Director*

NG WENG SUI HARRY *Non-Executive Non-Independent Director*

CHEE KHENG HOCK ROTHSCHILD *Non-Executive Independent Director*

KESAVAN NAIR *Non-Executive Independent Director*

COMPANY SECRETARIES

Mr Vincent Lim

Ms Wee Mae Ann

AUDIT COMMITTEE

Mr Ng Weng Sui Harry (*Chairman*)

Mr Kesavan Nair (*Member*)

Mr Chee Kheng Hock, Rothschild (*Member*)

REMUNERATION COMMITTEE

Mr Kesavan Nair (*Chairman*)

Mr Chee Kheng Hock, Rothschild (*Member*)

Mr Ng Weng Sui Harry (*Member*)

NOMINATING COMMITTEE

Mr Chee Kheng Hock, Rothschild (*Chairman*)

Mr Kesavan Nair (*Member*)

Mr Shawn Ching Wei Hung (*Member*)

COMPANY REGISTRATION NO.

200407031R

REGISTERED OFFICE

10 Ubi Crescent

#03-48 Lobby C, Ubi Techpark

Singapore 408564

Tel: +65 6299 0030

Website: <https://oxpayfinancial.com/>

SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.

30 Cecil Street,

#19-08 Prudential Tower,

Singapore 049712

SPONSOR

ZICO Capital Pte. Ltd.

77 Robinson Road, #06-03,

Robinson 77,

Singapore 068896

EXTERNAL AUDITOR

KPMG LLP

16 Raffles Quay

#22-00 Hong Leong Building

Singapore 048581

Partner-in-charge: Mr Yap Wee Kee

(Appointed since financial year ended 31 March 2020)

INTERNAL AUDITOR

Pioneer Associates

4 Shenton Way

#04-01 SGX Centre 1

Singapore 068807

PRINCIPAL BANKERS

Standard Chartered Bank (Singapore) Limited

Maybank Singapore Limited

United Overseas Bank Limited



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CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2021

INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of OxPay Financial Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to ensuring that high standards of corporate governance are practiced within the Group. We believe that good corporate governance principles and practices help to promote corporate transparency, accountability and integrity, whilst at the same time, protect and enhance shareholders’ interests.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) requires all listed companies to describe in their Annual Reports, their corporate governance practices, with specific reference to the principles of the Code of Corporate Governance dated 6 August 2018 (the “**Code**”).

The Company is pleased to report on its corporate governance practices and activities as required by the Code (this “**Report**”). However, this Report should be read as a whole as other sections of this Report may also have an impact on the specific disclosures.

Statement of Compliance

The Board confirms that for the financial year ended 31 December 2021 (“**FY2021**”), the Company has generally adhered to the principles and provisions as set out in the Code, save as otherwise explained below.

BOARD MATTERS

As at the date of this Report, the Board comprises the following members, all of whom have the appropriate core competencies, and diversity of experience needed to enable them to effectively contribute to the Group.

Mr Ching Chiat Kwong	(Non-Executive Non-Independent Chairman)
Mr Shawn Ching Wei Hung	(Non-Executive Non-Independent Deputy Chairman)
Mr Tan Chee Keong	(Managing Director)
Mr Ng Weng Sui Harry	(Non-Executive Non-Independent Director)
Mr Kesavan Nair	(Non-Executive Independent Director)
Mr Chee Kheng Hock, Rothschild	(Non-Executive Independent Director)

A description of the background and profile of each director is presented in the “Board of Directors” section on pages 8 to 10 of this Annual Report.

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The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Primary function of the Board

The primary function of the Board is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. The Board oversees the business affairs of the Group and has the overall responsibility for reviewing its strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance, and corporate governance practices.

In addition, the principal duties of the Board include the following:

- (a) to ensure that the necessary financial and human resources are in place for the Group to meet its objectives and to monitor the performance of the Group's management (the "**Management**");
- (b) to establish a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets; and
- (c) to set the Company's values and standards, and ensuring that obligations to shareholders and other stakeholders are understood and met.

All Directors exercise due diligence and independent judgement. Every Director is expected, in the course of carrying out his duties, to act in good faith to provide insights and objectively make decisions in the interest of the Company. Any director facing a conflict of interests will recuse himself from discussions and decisions involving the issue of conflict.

Delegation of authority by the Board

In recognition of the high standard of accountability to the Company's shareholders, the functions of the Board are carried out either directly by the Board or through the Board committees namely, the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**"). Each of these committees has its own written terms of reference.

Directors' attendance at Board and Board committee meetings in FY2021

The Board meets at least twice a year. Additional meetings are convened as and when required. In between Board meetings, other important matters will be tabled for the Board's approval by way of circulating resolutions in writing.

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The Company's Constitution (the "**Constitution**") allows Directors to participate in a Board meeting via telephonic conference. The number of Board and Board committee meetings held in FY2021 and the attendance of Directors during these meetings are as follows:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	7	4	1	1
	No. of meetings attended			
Directors				
Ching Chiat Kwong ⁽¹⁾	3	–	–	–
Shawn Ching Wei Hung ⁽²⁾	3	–	–	–
Tan Chee Keong ⁽¹⁾	3	–	–	–
Ng Weng Sui Harry ⁽³⁾	4	4	1	1
Kesavan Nair	6	4	1	1
Chee Kheng Hock, Rothschild ⁽¹⁾	3	3	–	–
Albert Saychuan Cheok ⁽⁴⁾	3	–	–	–
Koh Beng Kiok Anthony ⁽⁴⁾	3	–	–	–
Kim Moon Soo ⁽⁴⁾	3	–	–	–
Lillian Koh Noi Keng ⁽⁴⁾	2	–	–	–
Ong Kim Huat ⁽⁵⁾	–	–	–	–

Notes:–

- (1) Appointed as Director on 30 June 2021.
- (2) Served as Director from 18 February 2021 to 28 April 2021, and reappointed as Director on 30 June 2021.
- (3) Served as Director from 25 June 2008 to 28 April 2021, and reappointed as Director on 30 June 2021.
- (4) Appointed as Director on 18 February 2021 and resigned on 30 June 2021.
- (5) Appointed as Director on 25 May 2021 and resigned on 30 June 2021.

Directors with multiple board representations will ensure that sufficient time and attention are given to the affairs of the Group. The NC also considers whether a Director had previously served on the board of a company with an adverse track record or with a history of irregularities or is or was under investigation by regulators. Where necessary, the NC will seek clarity on the Director's involvement therein and assess whether his resignation from the board of any such company casts any doubt on his qualification and ability to act as a Director of the Company.

The Company recognises that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively. The Management provides the Board with half yearly management accounts, as well as relevant background or explanatory information relating to the matters that would be discussed at the Board meetings, prior to the scheduled meetings. All Directors are also furnished with updates on the financial position and any material developments of the Group as and when necessary.

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The Board has separate and independent access to the Company Secretary and the Management at all times. The Board will have independent access to professional advice when required at the Company's expense, subject to the approval of the Non-Executive Non-Independent Chairman.

Under the direction of the Non-Executive Non-Independent Chairman and after consultation with the Management, the Company Secretary facilitates information flow within the Board and its committees and between the Management and non-Executive Directors. The Company Secretary attends all meetings of the Board and Board committees and ensures that all Board procedures are followed and applicable rules and regulations are complied with. The minutes of all Board committee meetings are circulated to the Board. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

Matters which require Board approval

The approval of the Board is required for matters such as corporate restructuring, mergers and acquisitions, material acquisitions or disposals of assets, major corporate policies on key areas of operations, corporate actions such as share issuance, declaration of interim dividends and proposal of final dividends, and interested person transactions.

Induction and training of Directors

The Company will conduct orientation programmes for newly appointed Directors to ensure that they are familiar with the Group's structure, business and governance policies. All directors who have no prior experience as a director of a listed company will undergo training and/or briefing on the roles and responsibilities as director of a listed company as prescribed by the SGX-ST within one year from his date of appointment to the Board. Newly appointed Directors are given a formal letter explaining their duties and obligations as Directors of the Company.

At each Board meeting, the Directors will receive updates from the Management on the business and strategic developments of the Group, industry developments, analyst and media commentaries on matters related to the Company. Changes to regulations and accounting standards are monitored closely by the Management. During FY2021, the Directors were briefed by KPMG LLP on the developments in financial reporting standards and the changes that affect the Group, and by the Sponsor of the Company on amendments to the listing rules and requirements of the SGX-ST.

The Company will arrange for appropriate training such as courses and seminars for the Directors as and when needed. The Company encourages the Directors to update themselves on new rules and regulations, as well as on any revisions, amendments or updates to laws or regulations and attend courses relating to the Group's industry. The Company also encourages them to attend relevant training programmes conducted by the SGX-ST, Singapore Institute of Directors and other business and financial institutions and consultants.

In FY2021, the courses and seminars attended by the Directors include Listed Entity Director Essentials, Board Dynamics, Board Performance and Stakeholder Engagement conducted by Singapore Institute of Directors.

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Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Independence

The Board consists of six Directors, of whom two are considered independent by the Board, namely Mr Kesavan Nair and Mr Chee Kheng Hock, Rothschild. The Board comprises majority non-executive Directors, with five members being non-executive, in a six member Board.

Mr Ching Chiat Kwong is our Non-Executive Non-Independent Chairman. The Company notes that Provision 2.2 of the Code requires that Independent Directors should make up a majority of the Board where the Chairman is not independent. However, the Board is of the opinion that there is a strong independent element on the Board and given the Group's current size and operations, it is not necessary nor cost-effective to have Independent Directors make up a majority of the Board. Notwithstanding the above, the Company is currently in the process of appointing an independent Director on Board, and will provide the necessary information in due course.

The criterion of independence is based on the definition set out in the Code and Rule 406(3)(d) of the Catalist Rules. In its review, the NC takes into account, amongst other things, whether a Director has business relationships with the Company, its related companies, its substantial shareholders or its officers, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company.

The independence of each Director is reviewed annually by the NC. Each Independent Director is required to complete a checklist annually to confirm his independence based on the guidelines as set out in the Code and Rule 406(3)(d) of the Catalist Rules. None of the Independent Directors has served on the Board for an aggregate of more than nine years from his first date of appointment. The Independent Directors have confirmed their independence and the Board has determined, taking into account the views of the NC, that all Independent Directors are independent. There is no Director who is deemed to be independent by the Board notwithstanding the existence of a relationship set out in the Code, that would otherwise deem him not to be independent.

The Board will, on a continual basis, review the need for progressive refreshing of its Board.

Board size, composition and diversity

Notwithstanding that there is no formal Board diversity policy in place, the NC and the Board are cognizant of the recommendations as set out under Provision 2.4 and Practice Guidance 2 of the Code. The Board's aim in identifying nominees for the Board is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The Board is mindful that diversity is not specific to gender or certain personal attributes and would strive to ensure the diversity would enhance the long-term success of the Group. The objective of the Board, when identifying nominees, is to avoid groupthink and foster constructive debate and ensure that composition is optimal to support the Group's needs in the short and long term.

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The Board has reviewed the present Board size and is satisfied that the current size facilitates effective decision making and is appropriate for the nature and scope of the Group's operations. The Board's composition is reviewed annually by the NC to ensure that the Board has the appropriate mix of expertise and experience. The NC is of the view that the current Board and Board committees comprise high caliber individuals who are qualified with the appropriate mix of expertise, knowledge, skills and experience in areas relating to finance, accounting, legal and business strategy which provide for the effective functioning of the Board. The NC is of the view that no individual or small group of individuals dominate the Board's decision-making.

Role of Independent Directors

All Directors have equal responsibility for the Group's operations. The role of the two Independent Directors is particularly important in ensuring that all the strategies and objectives proposed by the Management are fully discussed and examined, and that they take into account the long-term interests of the shareholders and the Group's employees.

During FY2021, the Independent Directors had met without the presence of Management. Where necessary, the Independent Directors will communicate to discuss matters related to the Group, including the performance of the Management. Where appropriate, the Independent Directors provide feedback to the Non-Executive Non-Independent Chairman after such meetings.

Chairman and Managing Director

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The roles of the Non-Executive Non-Independent Chairman and the Managing Director are separate to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for decision-making. The Non-Executive Non-Independent Chairman and the Managing Director are not related to each other. The Non-Executive Non-Independent Chairman, Mr Ching Chiat Kwong, is responsible for formulating the Group's strategic plans and policies. He also plays a key role in developing the business of the Group, maintaining strategic relations with the Group's business partners and providing the Group with strong leadership and vision. He also, with the assistance of the Company Secretary and in consultation with Management, sets the agenda for Board meetings and ensures that the said meetings are held as and when it is necessary and that the Directors are provided with complete, adequate and timely information. In addition, he provides guidance, advice and leadership to the Board and the Management.

The Managing Director of the Company, Mr Tan Chee Keong, is responsible for implementing the strategic plans and policies as well as managing the operations of the Group. He is also responsible for reporting to the Board on all aspects of the Group's operations and performance, providing quality leadership and guidance to the employees of the Group and managing effective communication with the media, shareholders, regulators and the public. He also takes a leading role in the Company's drive to achieve and maintain a high standard of corporate governance.

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The Company notes that Provision 3.3 of the Code requires the Board to have a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. As Mr Ching Chiat Kwong is our Non-Executive Non-Independent Chairman, the Company would have to appoint a lead independent director in order to comply with Provision 3.3 of the Code. The Company is in the process of searching for and appointing an additional independent director who has recent and relevant accounting or related financial management expertise or experience to the Board and to be the Chairman of the Audit Committee and lead independent director, and shall endeavour to do so as soon as possible. In the meantime, the members of the Audit Committee are available to shareholders as a separate channel of communication, in the event that contact through normal channels of the Non-Executive Non-Independent Chairman, the Managing Director or the Chief Financial Officer have failed to resolve their concerns or where such channel of communication is considered inappropriate.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

NC composition and key terms of reference

The Company has established the NC to make recommendations to the Board on all board appointments and re-appointments. The NC comprises Mr Chee Kheng Hock, Rothschild (Chairman), Mr Kesavan Nair and Mr Shawn Ching Wei Hung. The NC comprises three Directors, the majority of whom, including the NC Chairman, are independent.

The key terms of reference of the NC include:

- (a) to make recommendations to the Board on all board appointments and re-appointments (including the appointment of alternate Directors, if any), and recommending to the Board re-nominations of existing Directors for re-election in accordance with the Company's Constitution, having regard to the Director's contribution and performance (for example, attendance record, preparedness, intensity of participation and candour at meetings) and taking into consideration the composition and progressive renewal of the Board;
- (b) making recommendations to the Board on all relevant matters relating to the review of succession plans for the Directors, in particular, for the Non-Executive Non-Independent Chairman and Managing Director and key management personnel;
- (c) to ensure all Directors submit themselves for re-nomination and re-election at regular intervals and at least once every three years;
- (d) to determine annually, and as and when circumstances require, whether a Director is independent, bearing in mind the guidelines of the Code and the requirements under Rule 406(3)(d) of the Catalist Rules;

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- (e) in respect of a Director who has multiple board representations on various companies, to decide whether or not such Director is able to and has been adequately carrying out his duties as a Director of the Company, having regard to the competing time commitments that are faced when serving on multiple boards;
- (f) to review training and professional development programs for the Board;
- (g) to decide how the Board's performance is to be evaluated and propose an objective performance criteria, subject to the approval by the Board, which address how the Board has enhanced long term shareholders' value; and
- (h) to assess the effectiveness of the Board as a whole and the contribution by the Non-Executive Non-Independent Chairman and each individual Director to the effectiveness of the Board.

Each member of the NC shall abstain from voting on any resolution and making any recommendations and/or participating in any deliberations of the NC in respect of matters in which he is interested.

The NC determines annually, and as and when circumstances require, whether a director is independent, taking into consideration the disclosures by the Directors of any relationships with the Company, its related corporations, its substantial shareholders or its officers and the checklist completed by each Independent Director to confirm his independence. Such checklist is drawn up based on the guidelines provided in the Code. Having made its review, the NC is of the view that Mr Chee Kheng Hock, Rothschild and Mr Kesavan Nair have satisfied the criteria for independence.

Directors' time commitments and multiple directorships

The Board is satisfied that each Director is able to and has been adequately carrying out his duties as a Director of the Company despite some of the Directors holding multiple board representations in other listed companies. As such, the Board does not propose to set the maximum number of listed company board representations which Directors may hold until such need arises. The NC will continue to review from time to time the board representations of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately. Currently, the Company does not have alternate directors.

Process for selection and appointment of new directors

Where the need for a new Director arises, or where it is considered that the Board would benefit from the services of a new Director with particular skills or to replace a retiring Director, the NC will be responsible for nominating the new Director. The NC has put in place a formal process which increases the transparency in identifying and evaluating the nominees for directors. The NC leads the process and makes recommendations to the Board as follows:

- (a) the NC will evaluate the candidates according to an objective criteria for the assessment which includes the candidate's prior experience as a director of a listed company, expertise to contribute to the Group and its businesses, integrity, ability to commit time and effort to carry out duties and responsibilities effectively and decision-making skills;

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- (b) the NC may procure the assistance of independent third parties such as search consultants to source for potential candidates, if needed, and Directors are also encouraged to propose candidates based on their personal contacts to the Board for consideration;
- (c) the NC will evaluate the skills, knowledge and experience of the Board and determine the role and the desirable competencies for a particular appointment and arrange to meet up with the short-listed candidates to ensure that the candidates are aware of the expectations and the level of commitment required; and
- (d) the NC then makes recommendations to the Board for approval.

Process for re-appointment and re-election of directors

Article 111 of the Constitution provides that at each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. Each Director shall retire at least once every three years. A retiring Director shall be eligible for re-election. Under Article 115 of the Constitution, Directors appointed by the Board during the financial year, shall only hold office until the next annual general meeting, and thereafter be eligible for re-election at the Company's annual general meeting.

The NC has recommended to the Board that Mr Tan Chee Keong and Mr Chee Kheng Hock, Rothschild be nominated for re-election at the forthcoming annual general meeting. In making the recommendation, the NC had considered the Directors' overall contribution and performance based on the assessment parameters.

Key information regarding Directors

Key information regarding the Directors, including their shareholdings in the Company, is set out on pages 27 and 45 of this Annual Report.

None of the Directors hold shares in the subsidiaries of the Company.

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The dates of initial appointment and last re-election of each Director, together with his directorships in other listed companies and other principal commitments, are set out below:–

Director	Date of initial appointment	Date of last re-election	Current directorships in listed companies (other than the Company)	Past directorships in listed companies (preceding three years)
Ching Chiat Kwong	30 June 2021	Not applicable	Aspen (Group) Holdings Limited Oxley Holdings Limited	Median Group Inc. (formerly Clixter Mobile Group Inc.)
Shawn Ching Wei Hung ⁽¹⁾	30 June 2021	Not applicable	Oxley Holdings Limited	None
Tan Chee Keong ⁽²⁾	30 June 2021	Not applicable	None	None
Ng Weng Sui Harry ⁽¹⁾	30 June 2021	Not applicable	HG Metal Manufacturing Limited Medi Lifestyle Limited Oxley Holdings Limited Q&M Dental Group (Singapore) Limited	None
Kesavan Nair	5 May 2017	28 April 2021	HG Metal Manufacturing Limited Arion Entertainment Singapore Limited Medi Lifestyle Limited	Kitchen Culture Holdings Limited
Chee Kheng Hock, Rothschild ⁽²⁾	30 June 2021	Not applicable	None	None

Notes:

(1) Ceased as Director on 28 April 2021 and re-appointed as Director on 30 June 2021.

(2) To be re-elected as Director at the forthcoming annual general meeting of the Company.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of the effectiveness as a whole, and that of each of its board committees and individual directors.

The Board's performance is linked to the overall performance of the Group. The Board ensures that the Company is in compliance with the applicable laws, and members of our Board are required to act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

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The NC is responsible for assessing the effectiveness of the Board as a whole and the Board committees, and for assessing the contribution of the Chairman and each individual Director to the effectiveness of the Board. The NC has established a review process and proposed objective performance criteria set out in assessment checklists which are approved by the Board. The NC assesses the Board's effectiveness as a whole by completing a Board Assessment Checklist, which takes into consideration factors such as the Board's structure, conduct of meetings, risk management and internal control, and the Board's relationship with the Management. The NC also assesses the Board's performance based on a set of quantitative criteria and financial performance indicators as well as share price performance. The NC assesses the individual Directors' performance by completing an Individual Director Assessment Checklist, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors. The performance criteria are not subject to changes from year to year. Nonetheless, where circumstances deem it necessary for any of the criteria to be changed, the Board will justify such changes.

In view of the size and composition of the Board, the Board deems it unnecessary for the NC to assess the effectiveness of each Board committee.

The Board and the NC have endeavoured to ensure that Directors appointed to the Board possess the background, experience, business knowledge, finance and management skills critical to the Group's business. They have also ensured that each Director, with his special contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

No external facilitator was used in the evaluation process.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC makes recommendations to the Board on the framework of remuneration, and the specific remuneration packages for each Director as well as for the key management personnel.

The RC comprises Mr Kesavan Nair (Chairman), Mr Chee Kheng Hock, Rothschild and Mr Ng Weng Sui Harry. The RC comprises three Directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

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The key terms of reference of the RC include:

- (a) to recommend to the Board a framework of remuneration for the Directors and key management personnel, and to determine specific remuneration packages for each executive Director and any key management personnel. The RC shall cover all aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options and benefits in kind. If necessary, the RC shall seek expert advice inside and/or outside the Company on the remuneration of all Directors and/or key management personnel;
- (b) to review the reasonableness and fairness of the termination clauses in the Directors' or key management personnel's contracts of service, with a view to be fair and avoid rewarding poor performance as well as to review and recommend to the Board the terms of renewal of the service contracts, bearing in mind that they should not be excessively long or contain onerous removal clauses; and
- (c) to administer any long-term incentive schemes including share schemes which may be implemented by the Company, and to consider whether any Director should be eligible for benefits under such long-term incentive schemes.

Each member of the RC shall abstain from voting on any resolution and making any recommendations and/or participating in any deliberations of the RC in respect of matters in which he is interested.

The total remuneration of the employees who are related to the Directors will be reviewed annually by the RC to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. In the event that a member of the RC is related to the employee under review, he will abstain from such review.

The RC has access to appropriate external expert advice in relation to executive compensation, if necessary. In FY2021, no remuneration consultants were engaged.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Remuneration of Executive Director and key management personnel

The remuneration package for Executive Director and key management personnel are structured to link rewards to corporate and individual performance. The performance related elements of remuneration form a significant portion of the total remuneration package in order to align the Executive Director's and key management personnel's interests with those of the shareholders and promote the long-term success of the Company. The RC will also take into consideration the pay and employment conditions within the industry and comparable companies.

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The remuneration for the key management personnel comprises a basic salary component and a variable component which is a discretionary bonus that is based on the performance of the Group as a whole and their individual performances. There are no pre-determined performance conditions for the discretionary bonus. The discretionary bonus for the key management personnel will be recommended by the RC and subject to approval by the Board, which is based on qualitative criteria (including leadership, people development, commitment, teamwork, current market and industry practices) and quantitative criteria (including production, profit after tax and relative financial performance of the Group to its industry peers).

The Company also ensures that the remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term. No Director is involved in any discussion relating to his own remuneration, terms and conditions of service, and the review of his performance.

The Company recognises the importance of motivating its employees and in this regard, a Performance Share Plan (the "**PSP**") and an Employee Share Option Scheme (the "**ESOS**") were approved at an extraordinary general meeting of the shareholders of the Company on 22 January 2021. Please refer to page 45 of this Annual Report for further details on the PSP and ESOS.

As at the date of this Annual Report, the Company has only one Executive Director, being Mr Tan Chee Keong, the Managing Director. The Managing Director has entered into a service agreement with the Company, under which terms of his employment are stipulated. There are no excessively long or onerous removal clauses in the aforesaid service agreement. The initial term of employment is for a period of three years and upon expiry of such period, the employment of the Managing Director shall be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree. Either party may terminate the service agreement by giving to the other party not less than six months' notice in writing, or in lieu of notice, payment of an amount equivalent to six months' salary based on the Managing Director's last drawn monthly salary.

According to the terms of the service agreement, the Company can reclaim incentive components of remuneration from the Managing Director in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company or the Group.

Remuneration of Independent Directors and Non-Executive Directors

The Independent Directors and Non-Executive Directors receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent and their responsibilities. The Directors' fees are recommended by the RC and endorsed by the Board for approval by the shareholders of the Company at the annual general meeting. Except as disclosed in this Annual Report, the Independent Directors and Non-Executive Directors do not receive any remuneration from the Company.

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Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

After reviewing the industry practice and analysing the advantages and disadvantages of disclosing the Directors' remuneration in dollar terms, the Company believes that such disclosure would be prejudicial to its business interest, given the highly competitive environment of the industry. After taking into account the aforesaid reasons for non-disclosure, the Board is of the view that the current disclosure of the remuneration presented herein in this Report is sufficient to provide shareholders information on the Group's remuneration policies, as well as the level and mix of remuneration.

The breakdown of the remuneration of the Directors and key management personnel for FY2021 is set out as below:

Remuneration of Directors for FY2021

Remuneration Band and Name of Director	Base/Fixed Salary	Director's Fees	Bonus	Total
Between S\$250,000 and S\$500,000 per annum				
Tan Chee Keong	34%	–	66%	100%
Koh Beng Kiok Anthony ⁽²⁾	96%	–	4%	100%
Below S\$250,000 per annum				
Ching Chiat Kwong ⁽¹⁾	–	100%	–	100%
Shawn Ching Wei Hung ⁽¹⁾	–	100%	–	100%
Ng Weng Sui Harry	–	100%	–	100%
Kesavan Nair	–	100%	–	100%
Chee Kheng Hock, Rothschild	–	100%	–	100%
Albert Saychuan Cheok ⁽²⁾	–	100%	–	100%
Lillian Koh Noi Keng ⁽²⁾	–	100%	–	100%
Ong Kim Huat ⁽²⁾	–	100%	–	100%

Remuneration of key management personnel for FY2021

Remuneration Band and Name of key management personnel	Base/Fixed Salary	Bonus	Total
Below S\$250,000 per annum			
Ng Kok Peng	81%	19%	100%
Ken Chew	100%	–	100%
John Tan Chia Nang	100%	–	100%
Kim Moon Soo ⁽²⁾	96%	4%	100%
Satis Chuenpibal	100%	–	100%
Madeline Sam Choy Meng ⁽³⁾	96%	4%	100%

(1) Mr Shawn Ching Wei Hung is the son of Mr Ching Chiat Kwong, the Non-Executive Non-Independent Chairman.

(2) Resigned as Director on 30 June 2021.

(3) Resigned on 1 July 2021.

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Given the size of the Group's operations, the Company had identified the key management personnel as above. The annual aggregate remuneration paid to the key management personnel of the Group (who are not Directors or the Managing Director of the Company) in FY2021 was S\$859,300.

There are no termination or retirement benefits or post-employment benefits that are granted to the Directors, the Managing Director and the key management personnel.

Remuneration of employees who are immediate family members of a Director or the Managing Director

Save as disclosed above, there were no employees who were substantial shareholders of the Company or who were the immediate family members of any Director, the Managing Director or a substantial shareholder of the Company and whose remuneration exceeded S\$100,000 in FY2021.

The PSP and ESOS

The Company has in place the PSP and the ESOS, which was approved at an extraordinary general meeting of the shareholders of the Company on 22 January 2021. Details of the PSP and ESOS are set out in the Company's circular dated 31 December 2020 in relation to, *inter alia*, the proposed acquisition of all the ordinary shares and convertible bonds issued by Mobile Credit Payment Pte. Ltd..

The purpose of adopting the PSP and the ESOS is to provide an opportunity for the Directors and employees of the Group to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to their contributions and services. The PSP and ESOS were proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding employees and Directors of the Group who have contributed to the growth of the Group.

The Board believes that the PSP and ESOS will be more effective than pure cash bonuses in motivating employees of the Group to work towards pre-determined goals. The objectives of the PSP and ESOS are as follows:–

- (a) to motivate the participant to optimise his/her performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key executives and Executive Directors of the Group whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instill loyalty to, and a stronger sense of identification by employees with the long-term prosperity of, the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for shareholders; and
- (e) to align the interests of participants with the interests of shareholders.

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The PSP will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The PSP, which forms an integral and important component of a compensation plan, is designed to primarily reward and retain Directors (including Independent Directors) and Group employees whose services are vital to the well-being and success of the Group.

The PSP and ESOS will complement each other as tools to reward, retain and motivate the participants whose services and contributions are vital to the well-being and success of the Group. While the ESOS is designed to provide its participants with an opportunity to participate in the equity of the Company through options which they may exercise to subscribe for shares of the Company upon payment of the exercise price, the PSP is designed to reward participants by the award of shares of the Company, through the vesting of such share awards according to the extent to which the performance conditions (if any) imposed on the share awards are achieved at the end of a specified performance period. The duration of each performance period (if applicable) will serve to align the participants' performance goals with the corresponding performance cycle of the Company, and the strategies and objectives for the Group over the short to medium term.

The PSP thus seeks to focus participants on short to medium term critical performance targets, to develop a reward-for-performance culture in the Group, and to encourage participants to continuously improve their performance. As the actual number of share awards which the participant will receive under the PSP will depend ultimately on the extent to which he/she satisfies the performance condition(s) set for each performance period, this creates a strong incentive for the participant to focus on assigned tasks and to excel.

The operation of both the PSP and ESOS in tandem allows the Group to blend and package the options and share awards as part of a comprehensive incentive and reward system.

Both the PSP and ESOS are administered by the RC. When deciding on the number of share awards or options to award or grant (as the case may be) to a participant at any one point in time, the RC will take into consideration the number of share awards or options to be awarded or granted (as the case may be) to that participant under any other share scheme at that time, if any.

During FY2021, an award of up to 343,137 shares of the Company was granted to Mr Tan Chee Keong, the Managing Director, pursuant to the PSP. As at the end of FY2021, awards have been granted under the PSP as follows:

Name of participant	Number of shares comprised in awards during FY2021 (including terms)	Aggregate number of shares comprised in awards from commencement of Scheme to end of FY2021	Number of shares comprised in awards which have been issued and/or transferred since commencement of Scheme to end of FY2021	Number of shares comprised in awards not vested as at end of FY2021
<i>Director</i>				
Tan Chee Keong	343,137	343,137	–	343,137

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2021

As at the end of FY2021, no awards of shares have been granted under the PSP to controlling shareholders of the Company or their associates and no participants have received shares which in aggregate represent 5% or more of the total number of shares available under the PSP.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Risk Management

The Group currently does not have a separate Risk Management Committee but the Management regularly reviews the Group's operational and business activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Management reviews all the significant control policies and procedures and highlights all significant findings and matters to the Directors and the AC. The Board is ultimately responsible for the Group's risk management and determines the nature and extent of significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

The Company, together with the internal auditors, assists the Board in identifying key operational, strategic, financial, compliance and information technology risks with reference to the Company's business goals, strategies and corporate philosophy. The Board oversees the Management in the design, implementation and monitoring of the Group's risk management and internal control systems. The internal auditor has also evaluated the effectiveness of the internal controls implemented to manage the identified risks based on the results of the risk assessment process executed.

Internal Controls

The effectiveness of the internal control systems and procedures are monitored by the Management. The Board acknowledges that it is responsible for the overall internal control framework, but also recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage and mitigate rather than eliminate risks altogether. As such, the internal control framework can only provide reasonable but not absolute assurance against material misstatement or loss, whether due to errors or fraud.

Apart from the above, the AC also commissions and reviews the findings of internal controls or any infringement of any Singapore laws, rules or regulations which has or is likely to have a material impact on the Group's operating results and/or financial position. The Board reviews the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls on an annual basis. In FY2021, Pioneer Associates was engaged to conduct reviews of the Group's material internal controls and to test if the controls were properly implemented.

CORPORATE GOVERNANCE REPORT

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The Board has received assurance from the Managing Director and the Chief Financial Officer that (a) the financial records have been properly maintained and the financial statements for the financial year ended 31 December 2021 give a true and fair view of the Group's operations and finances; and (b) the Group's risk management and internal control systems are adequate and effective to address the financial, operational, compliance and information technology risks in the context of the current scope of the Group's business operations.

Based on the assurance from the Managing Director and the Chief Financial Officer referred to in the preceding paragraph, the framework of risk management and internal controls established and maintained by the Group, the review performed by the Management and the AC, the work performed by the internal auditors and the review undertaken by the external auditors as part of their statutory audit, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems were effective and adequate as at 31 December 2021.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The AC comprises Mr Ng Weng Sui Harry (Chairman), Mr Kesavan Nair and Mr Chee Kheng Hock, Rothschild. The AC comprises three Directors. All members of the AC are non-executive directors, the majority of whom are independent. No former partner or director of the Company's existing audit firm or auditing corporation is a member of the AC. The AC has sufficient accounting or financial management expertise, as interpreted by the Board in its business judgment, to discharge the AC's functions.

The Company notes that Provision 10.2 of the Code requires that the chairman of the audit committee shall be independent and shall have recent and relevant accounting or related financial management expertise or experience. As Mr Ng Weng Sui Harry is a Non-Executive Non-Independent Director, the Company would have to appoint an additional independent director to be the chairman of the AC in order to comply with Provision 10.2 of the Code. The Company is in the process of searching for and appointing the aforesaid additional independent director, and shall endeavour to do so as soon as possible.

The AC assists the Board in discharging its responsibility in safeguarding the Company's assets, maintaining adequate accounting records, and developing and maintaining effective systems of internal controls with an overall objective to ensure that the Management has created and maintained an effective control environment in the Group. The AC will provide a channel of communication between the Board, the Management and the external and internal auditors of the Company on matters relating to audit.

The Directors recognise the importance of corporate governance and in offering high standards of accountability to the shareholders. The AC will meet at least half-yearly. The key terms of reference of the AC include:–

- (a) reviewing the audit plans and scope of work of the external auditors and the internal auditors, including the results of the external and internal auditors' review and evaluation of the Group's system of internal controls, the management letters on the internal controls and the Management's response, and monitoring the implementation of the internal control recommendations made by the external and internal auditors;

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- (b) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management systems, prior to the incorporation of such results in the Company's annual report;
- (c) reviewing the interim financial results and annual consolidated financial statements and the external auditors' report on the annual consolidated financial statements, and discussing any significant adjustments, major risk areas, changes in accounting policies and practices, significant financial reporting issues and judgements, compliance with the Singapore Financial Reporting Standards (International) as well as compliance with the Catalist Rules and other statutory or regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management to ensure the integrity of the financial statements of the Group and any announcements relating to the Company's financial performance, where necessary, before submission to the Board for approval;
- (d) making recommendations to the Board on the proposals to the shareholders with regard to the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- (e) reviewing the adequacy and effectiveness, scope and results of the external and internal audit and the independence and objectivity of the external and internal auditors, and where the external auditor also provides a substantial volume of non-audit services to the Company, keeping the nature and extent of such services under review;
- (f) reviewing the internal controls and procedures and ensuring co-ordination between the external auditors and the Management, the assistance given by the Management to the external auditors and discussing problems and concerns, if any, arising from the interim and final audits;
- (g) reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position;
- (h) reviewing and approving interested person transactions and reviewing procedures thereof as well as potential conflicts of interest (if any);
- (i) reviewing the policy and arrangements by which employees of the Group and any other persons may, in confidence, report to the Chairman of the AC, concerns about possible improprieties in financial reporting or other matters and ensuring that there are arrangements in place for such concerns to be safely raised and independently investigated, and for appropriate follow-up action to be taken; and
- (j) reviewing the assurance from the Managing Director and the Chief Financial Officer on the financial records and financial statements.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2021

The AC has been given full authority to investigate any matter within its terms of reference and has full access to the cooperation of the Management. It also has full discretion to invite any Director or key management personnel to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC members are briefed and updated by the external auditors on any changes or developments to the accounting standards and issues which have a direct impact on financial statements during AC meetings.

Summary of the AC's activities

In FY2021, the AC met twice with the external auditors and once without the presence of Management. The AC also met once with the internal auditors and once without the presence of Management. These meetings enable the auditors to raise issues encountered in the course of their work directly to the AC.

In FY2021, the AC, amongst other things, carried out the following:

- (a) reviewed the half-year and full year announcements, all material announcements and all related disclosures to shareholders before submission to the Board for approval;
- (b) reviewed the audit plan and audit report from external auditors;
- (c) reviewed the independence and objectivity of the external auditors through discussion with the external auditors;
- (d) recommended to the Board that KPMG LLP be nominated for re-appointment as the Company's auditors at the forthcoming annual general meeting of the Company;
- (e) reviewed the reports and findings from the internal auditors in respect of the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls; and
- (f) reviewed the Group's interested person transactions to ensure that the transactions were carried out on normal commercial terms.

Whistle blowing policy

The Company has put in place a whistle blowing policy which sets out the procedures for a whistle blower to make a report to the Company on misconduct or wrongdoing relating to the Company and its officers. The policy encourages employees to raise concerns, in confidence, about possible irregularities to any member of the AC, namely Mr Ng Weng Sui Harry, Mr Kesavan Nair or Mr Chee Kheng Hock, Rothschild. Such concerns include fraudulent acts, dishonesty, legal breaches and other serious improper conduct, unsafe work practices and any other conduct that may cause financial or non-financial loss to the Group or damage to the Group's reputation. It aims to provide an avenue for employees to raise concerns and offer reassurance that they will be protected from reprisals or victimisation and against detrimental or unfair treatment for whistle blowing in good faith.

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Whenever a concern is raised under the policy by writing, telephonically or in person to any of the abovementioned AC members, the identity of the whistle blower and the report received shall be treated with utmost confidentiality and will be attended to immediately. The whistle blowing policy is posted on a notice board at the Company's premises. The email address for submission of reports is stated in the whistle blowing policy which can be found on the Company's website <https://oxpayfinancial.com/>.

When making a report, the whistleblower should provide the following information as stated in the whistleblower report form:

- Name, NRIC and contact details;
- Parties involved, time and place of the alleged improprieties;
- Evidence leading to the improprieties, if any; and
- Any other details or documentation that would assist in the evaluation of the improprieties.

Some concerns may be resolved by agreed action without the need for investigation. If investigation is necessary, the AC member will direct an independent investigation to be conducted on the complaint received. All whistle blowers have a duty to cooperate with investigations.

The AC is responsible for oversight, monitoring and administration of the whistle blowing policy. Periodic reports will be submitted to the AC stating the number and the complaints received, results of the investigations, follow-up actions required and any unresolved complaints.

Internal Audit

The AC selects and approves the appointment of the internal auditors. In FY2021, the Company appointed Pioneer Associates as its internal auditors to conduct reviews on material internal controls and to test if the controls are properly implemented. The internal auditors report directly to the AC functionally and to the Non-Executive Non-Independent Chairman administratively, and has full access to all the Company's documents, records, properties and personnel. The AC is satisfied that the internal auditors is staffed with suitably qualified and experienced personnel.

The AC decides on the timing of the commissioning of the internal audit function from time to time and reviews the audit plans of the internal auditors, ensures that adequate resources are directed to carry out those plans and reviews the results of the internal auditor's examination of the Company's system of internal controls. The AC is satisfied that the internal audit function is independent, adequately resourced and has the appropriate standing within the Group.

The AC reviews the independence, adequacy and effectiveness of the internal audit function on an annual basis and is satisfied with its independence, adequacy and effectiveness in FY2021.

External Audit

The AC reviews the scope and results of the audit carried out by the Company's external auditors, as well as the independence and objectivity of the Company's external auditors annually. The aggregate amount of fees paid/payable to the external auditors of the Company, KPMG LLP ("**KPMG**"), for FY2021 was S\$263,500 for audit

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services and S\$4,500 for non-audit tax services rendered. Having considered the aforesaid breakdown of fees paid/payable to the Company's external auditors as well as the nature and extent of the non-audit services rendered, the AC is satisfied that such non-audit services will not prejudice the independence and objectivity of the Company's external auditors. The Company's external auditors have also confirmed their independence in this respect, and that they are registered with the Accounting and Corporate Regulatory Authority and approved under the Accountants Act 2004 of Singapore. The audit partner-in-charge assigned to the audit is a registered public accountant under the Accountants Act 2004 of Singapore.

After considering the adequacy of the resources and experience of the external auditors' firm and the audit partner-in-charge assigned to the audit, the firm's other audit engagements, the size and complexity of the Group and the number and experience of supervisory and professional staff assigned to the particular audit as well as the standard and quality of work performed by KPMG for past financial years, the AC is satisfied with and has recommended to the Board the nomination and re-appointment of KPMG as the external auditors for the Company's audit obligations for the financial year ending 31 December 2022, at the forthcoming annual general meeting of the Company.

The Company has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of auditing firms for the Group for FY2021.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: *The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

Shareholder Rights

The Company supports the Code's principle to encourage communication with and participation by shareholders. Shareholders are informed of general meetings through notices published in the newspapers, through reports or circulars sent to all shareholders and via SGXNet. Shareholders are encouraged to attend the AGM to ensure a greater level of shareholder participation. The Constitution allows a shareholder of the Company to appoint up to two proxies to attend the AGM and vote in place of the shareholder, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act 1967). A relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder.

In view of the current COVID-19 situation, the forthcoming AGM to be held on 26 April 2022 will be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The notice of AGM, together with the annual report for FY2021, will be made available to shareholders at

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least 14 days before the scheduled AGM date. Shareholders will be given at least 7 calendar days after the date of notice of AGM to submit their questions. The Company will publicly address all questions at least 48 hours prior to the closing date and time for the lodgement of the proxy forms. Details on the pre-registration, submission of questions and voting at the AGM by shareholders are set out in the notice of AGM.

The Company will not implement absentia voting methods such as voting via mail, e-mail or facsimile until security, integrity and other pertinent issues are satisfactorily resolved.

All resolutions are put to vote by poll and shareholders are entitled to vote in accordance with established voting rules and procedures. An announcement of the detailed results is made after the conclusion of the AGM. The Board notes that there should be separate resolutions at general meetings on each substantially separate issue and supports the Code's principles as regards to the "bundling" of resolutions. In the event that there are resolutions which are interlinked, the Board will provide reasons and material implications.

All Directors attend the general meetings of shareholders, and the external auditor will also be present to assist in addressing queries from shareholders relating to the conduct of audit and the preparation and content of the auditor's report. Save that Lillian Koh Noi Keng was absent at the last AGM held on 28 April 2021, all Directors were present at the AGM held on 28 April 2021 and the extraordinary general meetings of 30 June 2021 and 2 September 2021.

Minutes of general meetings, including relevant substantial comments or queries from shareholders relating to the agenda of the meeting and responses from the Board or the Management, are available to shareholders upon their request. The Company will publish the minutes of the AGM to be held on 26 April 2022 on SGXNet and the Company's website at <https://oxpayfinancial.com/> within one month after the AGM.

Dividend Policy

The Company currently does not have a fixed dividend policy. The declaration and payment of future dividends will be determined at the sole discretion of the Directors, subject to Shareholders' approval (if required), and will depend on the Group's operating results, financial position, other cash requirements including working capital, capital expenditure, the terms of borrowing arrangements (if any), expansion plans and other factors deemed relevant.

In making their recommendations, the Board will consider, amongst others, the Group's future earnings, operations, capital requirements, cash flow and financial condition, as well as general business conditions and other factors which the Board may consider appropriate.

No dividend has been declared or recommended for FY2021 in order to preserve the Group's working capital to mitigate the impact of COVID-19 and for opportunities that may arise.

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Engagement with Shareholders

Principle 12: *The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.*

Disclosure of information on a timely basis

The Board believes in transparency and strives towards timely dissemination of material information to the Company's shareholders and the public. It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, through announcements via SGXNet. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable. Shareholders are provided with an update on the Group's performance, position and prospects through the Company's annual report.

All shareholders of the Company shall receive the annual report, circular, notice of annual general meeting and notice of extraordinary general meeting. In presenting the annual financial statements and financial results announcement to shareholders, it is the aim of the Board to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects.

The Company discloses all material information on a timely basis to all shareholders. Where there is inadvertent disclosure made to a select group, the Company will endeavour to make the same disclosure publicly to all others promptly. The Company also disseminates information, including the financial reports and annual report, to shareholders and the public through its website <https://oxpayfinancial.com/>.

Interaction with shareholders

The Company does not have an investor relations policy in place. However, Shareholders are given the opportunity to pose questions to the Board or the Management at the general meetings. The members of the AC, NC and RC will be present at the AGM to answer questions relating to matters overseen by the respective committees.

To enhance and encourage communication with shareholders and investors, the Company provides the contact information of its investor relations consultants in its press releases. Shareholders and investors can send their enquiries through email or telephone.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: *The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.*

The Company undertakes an annual review in identifying its material stakeholders.

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The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, contractors and suppliers, government and regulators, community, shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

The Company also maintains a corporate website at <https://oxpayfinancial.com/investor> to communicate and engage with stakeholders.

OTHER INFORMATION

Dealing with Securities

In line with Rule 1204(19) of the Catalist Rules, the Group has adopted an internal compliance code to guide and advise all Directors and executives of the Company with regard to dealing in the Company's securities.

The internal compliance code prohibits dealings in the Company's securities by the Company, all Directors and executives on short-term considerations or if they are in possession of unpublished price sensitive information of the Company. The "black-out" periods are one month prior to the announcement of the Company's half-year and full-year financial results and ending on the date of the announcement of the financial results.

The Company reminds all the Directors and executives to observe insider-trading rules and laws at the appropriate times.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC, and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

During FY2021, the Group did not enter into any interested person transactions of S\$100,000 and more. The Group does not have a general mandate pursuant to Rule 920 of the Catalist Rules for interested person transactions.

Material Contracts

Save for the service agreement between the Managing Director and the Company and save as disclosed in Note 14 to the Financial Statements, there were no material contracts of the Company and its subsidiaries involving the interests of any Director or controlling shareholders that are either still subsisting at the end of FY2021 or if not then subsisting, entered into since the end of the previous financial year.

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Non-Sponsor Fees

For FY2021, non-sponsor fees of an aggregate of approximately S\$714,500 (comprising S\$95,000 in cash and S\$619,500 in shares of the Company) were paid or payable to the Company's sponsor, ZICO Capital Pte. Ltd., whereby ZICO Capital Pte. Ltd. acted as the Financial Adviser to the Company in respect of the reverse takeover of Artivision Technologies Ltd. completed on 18 February 2021 ("RTO").

Use of proceeds

On 12 March 2021, the Company completed a placement of an aggregate of 10,000,000 new ordinary shares (on a post-consolidation basis) at an issue price of S\$0.40 per share (the "**March Placement**"), raising net proceeds of approximately S\$3.2 million (the "**March Placement Net Proceeds**") of which it was intended that S\$1.8 million be utilised for the redemption of the outstanding Series D Convertible Bonds and S\$1.4 million be utilised for the payment of outstanding expenses in connection with the RTO. Please refer to the Company's announcements dated 8 March 2021 and 12 March 2021 for more information on the March Placement.

Prior to 28 February 2022, the March Placement Net Proceeds had been utilised in accordance with the intended use as stated in the Company's announcement dated 12 March 2021. As at 28 February 2022, there was a balance of S\$936,000 from the March Placement Net Proceeds to be used for payment of outstanding expenses in connection with the RTO. On 28 February 2022, the Company announced the change in the use of the balance of the March Placement Net Proceeds and re-allocated the funds to meet the general working capital requirements of the Group, as most of the outstanding expenses in connection with the RTO had been fully settled.

Subsequent to the aforesaid re-allocation, the status of the use of the March Placement Net Proceeds as at the date of this Annual Report is as follows:

Use of March Placement Net Proceeds	Balance of March Placement Net Proceeds as at 28 February 2022 (S\$'000)	Balance of March Placement Net Proceeds as the date of this Annual Report (S\$'000)
General working capital – general administrative expenses, such as employees' remuneration and other statutory contributions, and repayment of the loan extended by a controlling shareholder of the Company	936	–

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2021.

In our opinion:

- (a) the financial statements set out on pages 53 to 125 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, having considered the factors presented in Note 2.1 of these consolidated financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The directors in office at the date of this statement are as follows:

Kesavan Nair	
Ng Weng Sui Harry	(Ceased as Director on 28 April 2021 and Re-appointed on 30 June 2021)
Shawn Ching Wei Hung	(Ceased as Director on 28 April 2021 and Re-appointed on 30 June 2021)
Ching Chiat Kwong	(Appointed on 30 June 2021)
Chee Kheng Hock, Rothschild	(Appointed on 30 June 2021)
Tan Chee Keong	(Appointed on 30 June 2021)

CHANGE OF COMPANY NAME

During the financial year, the Company changed its name from Artivision Technologies Limited to MC Payment Limited on 18 February 2021. On 2 September 2021, the Company changed its name to OxPay Financial Limited.

DIRECTORS' STATEMENT

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and corporation in which interests are held	Direct interest		Deemed interest	
	At 31.12.2021	At 01.01.2021	At 31.12.2021	At 01.01.2021
OxPay Financial Limited (formerly known as MC Payment Limited) – ordinary shares (before share consolidation)				
Ng Weng Sui Harry	109,800	5,490,000	–	–
Ching Chiat Kwong	73,663,613	395,068,911	–	–
Shawn Ching Wei Hung	140,000	–	–	–

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

The directors' interests in the ordinary shares of the Company as at 21 January 2022 were the same as those as at 31 December 2021.

Share awards and share options

During the financial year, there were:

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

DIRECTORS' STATEMENT

Audit Committee

The members of the Audit Committee during the financial year were Ng Weng Sui Harry (Chairman), Kesavan Nair (Member) and Chee Kheng Hock, Rothschild (Member). The Audit Committee was reconstituted on 7 July 2021 and at the date of this statement, the members are:

Ng Weng Sui Harry	(Non-Executive Non-Independent Director)
Kesavan Nair	(Non-Executive Independent Director)
Chee Kheng Hock, Rothschild	(Non-Executive Independent Director)

The Audit Committee performs functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' statement. In performing those functions, the Audit Committee met with the Company's external auditors to discuss the scope of their work and the results of their examination.

The Audit Committee also reviewed the following:

- assistance provided by the Company's management to the external auditors;
- semi-annually financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption;
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual);
- the audit plan of the Company's external auditor and any recommendations on internal accounting controls arising from statutory audit; and
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2021 before their submission to the Board of Directors, as well as the Independent Auditor's report on the statement of financial position of the Company and the consolidated financial statements of the Group.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors of the Company and its subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' STATEMENT

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Shawn Ching Wei Hung

Director

Henry Tan Chee Keong

Director

8 April 2022

INDEPENDENT AUDITORS' REPORT

Members of the Company
OxPay Financial Limited
(formerly known as MC Payment Limited)

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of OxPay Financial Limited (formerly known as MC Payment Limited) ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 53 to 125.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ('ACRA Code') together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Going concern basis of accounting

Risk:

The consolidated financial statements have been prepared on a going concern basis as discussed in note 2.2.

Historically, the Group has been loss making, and has raised capital to fund its growth.

Accumulated losses shown in the consolidated statement of financial position totalled \$52.3 million as at 31 December 2021.

Members of the Company
OxPay Financial Limited
(formerly known as MC Payment Limited)

INDEPENDENT AUDITORS' REPORT

During the year ended 31 December 2021, the Group lost two of its major customers from its payment processing services ("MPS") business segment, which contributed approximately 26% of the Group's total revenue in 2021.

We have included the going concern assumption as a key audit matter as the Group relies on existing cash reserves and revenue growth generating sufficient cashflows to cover necessary expenditure.

Our response:

In assessing the appropriateness of the going concern assumption used in preparing the consolidated financial statements, our procedures included, amongst others:

- Assessing the cash flow requirements of the Group over 12 months from the date of this report based on forecasts.
- Understanding what forecast expenditure is committed and what could be considered discretionary.
- Considering the liquidity of existing assets on the consolidated statement of financial position.
- Considering the business plan for the Group determined by management and also the basis of preparation of the forecasts derived from the business plans to generate cash inflows.
- Assessing the reasonableness of the assumptions and data used in the forecasts and evaluate whether key assumptions are realistic and achievable and consistent with business environment in which the Group operates in.
- Considering potential downside scenarios and the resultant impact on the forecasted cashflow.

We also considered the adequacy of the disclosures in the financial statements

Our findings:

We are satisfied that the Directors' conclusion that there are no material uncertainties over the Group's ability to continue as a going concern and the associated disclosure is appropriate.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the consolidated financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report (the "Reports").

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT

Members of the Company
OxPay Financial Limited
(formerly known as MC Payment Limited)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the consolidated financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Members of the Company
OxPay Financial Limited
(formerly known as MC Payment Limited)

INDEPENDENT AUDITORS' REPORT

Auditors' responsibilities for the audit of the consolidated financial statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

Members of the Company
OxPay Financial Limited
(formerly known as MC Payment Limited)

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Yap Wee Kee.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

8 April 2022

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Assets					
Property, plant and equipment	4	192	67	–	–
Intangible assets and goodwill	5	324	827	–	–
Investment in subsidiaries	6	–	–	10,600	–
Investment in associate	7	–	–	–	–
Trade and other receivables	9	13	14	–	–
Non-current assets		529	908	10,600	–
Cash and cash equivalents	8	26,449	3,479	494	1,040
Trade and other receivables	9	3,522	7,182	27	3
Current assets		29,971	10,661	521	1,043
Total assets		30,500	11,569	11,121	1,043
Equity					
Share capital	10	55,218	22,069	169,935	71,777
Currency translation reserve	11	143	(17)	–	–
Capital reserve	11	*	*	*	*
Other reserves	11	2,896	2,896	2,515	2,515
Accumulated losses		(52,370)	(25,310)	(162,557)	(85,006)
Equity attributable to equity holders of the Company		5,887	(362)	9,893	(10,714)
Non-controlling interests	12	(453)	(173)	–	–
Total equity		5,434	(535)	9,893	(10,714)
Liabilities					
Loans and borrowings	14	24	–	–	–
Non-current liabilities		24	–	–	–
Trade and other payables	13	24,410	10,657	669	4,323
Loans and borrowings	14	632	19	559	559
Bonds payable	15	–	1,428	–	6,875
Current liabilities		25,042	12,104	1,228	11,757
Total liabilities		25,066	12,104	1,228	11,757
Total equity and liabilities		30,500	11,569	11,121	1,043

* Amount less than \$1,000

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2021

	Note	Group	
		2021 \$'000	2020 \$'000
Revenue	16	17,544	11,107
Cost of sales		(7,286)	(7,539)
Gross profit		10,258	3,568
Other income	17	424	215
Administrative expenses		(8,349)	(3,513)
Impairment loss on trade and other receivables		(2,221)	(707)
Other operating expenses		(594)	(820)
Deemed reverse acquisition listing expenses	2.1	(26,367)	–
		(26,849)	(1,257)
Finance income	18	61	166
Finance costs	18	(350)	(772)
Net finance costs		(289)	(606)
Share of loss of equity-accounted investees (net of tax)		(223)	–
Loss before tax	19	(27,361)	(1,863)
Income tax expense	20	–	–
Loss for the year		(27,361)	(1,863)
Loss attributable to:			
Equity holders of the Company		(27,060)	(1,753)
Non-controlling interests	12	(301)	(110)
Loss for the year		(27,361)	(1,863)
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit of loss:</i>			
Foreign currency translation differences relating to financial statements of foreign subsidiaries		181	46
Total comprehensive loss for the year		(27,180)	(1,817)
Total comprehensive loss attributable to:			
Equity holders of the Company		(26,900)	(1,704)
Non-controlling interests		(280)	(113)
Total comprehensive loss for the year		(27,180)	(1,817)
Loss per share (expressed in cents per share)			
–Basic	21(a)	(11.51)	(1.21)
–Diluted	21(b)	(11.51)	(1.21)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2021

Attributable to owners of the Company

Group	Share capital \$'000	Currency translation reserve \$'000	Share-based compensation reserve \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 January 2020	18,404	(66)	–	2,896	(23,624)	(2,390)	(42)	(2,432)
Total comprehensive income for the year	–	–	–	–	(1,753)	(1,753)	(110)	(1,863)
Loss for the year	–	–	–	–	–	–	–	–
Other comprehensive income	–	49	–	–	–	49	(3)	46
Foreign currency translation differences	–	49	–	–	–	49	(3)	46
Total other comprehensive income	–	49	–	–	–	49	(3)	46
Total comprehensive loss for the year	–	49	–	–	(1,753)	(1,704)	(113)	(1,817)
Transactions with owners, recorded directly in equity	–	–	–	–	–	–	–	–
Contributions by and distributions to owners	–	–	–	–	–	–	–	–
Issue of ordinary shares related to conversion of convertible bonds	3,665	–	–	–	–	3,665	–	3,665
Total transactions with owners	3,665	–	–	–	–	3,665	–	3,665
Changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	–
Loss on disposal of shareholding in subsidiary with no loss in control	–	–	–	–	67	67	(67)	–
Acquisition of subsidiary with non-controlling interest	–	–	–	–	–	–	49	49
Total changes in ownership interests in subsidiaries	–	–	–	–	67	67	(18)	49
At 31 December 2021	22,069	(17)	–	2,896	(25,310)	(362)	(173)	(535)

* Amount less than \$1,000

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company							
	Share capital \$'000	Currency translation reserve \$'000	Share-based compensation reserve \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Group								
At 1 January 2021	22,069	(17)	–	2,896	(25,310)	(362)	(173)	(535)
Total comprehensive income for the year								
Loss for the year	–	–	–	–	(27,060)	(27,060)	(301)	(27,361)
Other comprehensive income								
Foreign currency translation differences	–	160	–	–	–	160	21	181
Total other comprehensive income	–	160	–	–	–	160	21	181
Total comprehensive loss for the year	–	160	–	–	(27,060)	(26,900)	(280)	(27,180)
Transactions with owners, recorded directly in equity Contributions by and distributions to owners								
Consideration shares issued in relation to reverse acquisition	15,997	–	–	–	–	15,997	–	15,997
Issue of ordinary shares related to settlement of bond payable	10,000	–	–	–	–	10,000	–	10,000
Issue of ordinary shares for cash	4,000	–	–	–	–	4,000	–	4,000
Share issue expense	(721)	–	–	–	–	(721)	–	(721)
	3,279	–	–	–	–	3,279	–	3,279
Share-based payments – employees incentive scheme	234	–	–	–	–	234	–	234
Share-based payments – sponsor equity shares pursuant to the RTO	1,239	–	–	–	–	1,239	–	1,239
Share-based payments – introducer fees pursuant to the RTO paid using OXPAY's ordinary shares	2,400	–	–	–	–	2,400	–	2,400
Total changes in ownership interests in subsidiaries	33,149	–	–	–	–	33,149	–	33,149
At 31 December 2021	55,218	143	–	2,896	(52,370)	5,887	(453)	5,434

* Amount less than \$1,000

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2021

	Share capital S\$'000	Share-based compensation reserve S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Company					
At 1 April 2020 (Beginning of the previous financial period)	71,777	2,515	*	(83,725)	(9,433)
Total comprehensive loss for the period	–	–	–	(1,281)	(1,281)
At 31 December 2020	71,777	2,515	*	(85,006)	(10,714)
At 1 January 2021	71,777	2,515	*	(85,006)	(10,714)
Issuance of new shares pursuant to:					
– Placement shares on 28 January 2021	600	–	–	–	600
– the acquisition of the OxPay Group	82,806	–	–	–	82,806
– redemption of bonds and its associated interest payable	10,000	–	–	–	10,000
– Placement shares on 12 March 2021	4,000	–	–	–	4,000
– Share issue expenses for placement shares on 12 March 2021	(721)	–	–	–	(721)
– Share-based payment to employees	3,276	–	–	–	3,276
– Share-based payment to sponsor	234	–	–	–	234
– Share-based payment to sponsor	1,239	–	–	–	1,239
Total comprehensive loss for the year	–	–	–	(77,551)	(77,551)
At 31 December 2021	169,935	2,515	*	(162,557)	9,893

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2021

	Note	Group	
		2021 \$'000	2020 \$'000
Cash flows from operating activities			
Loss before tax for the year		(27,361)	(1,863)
Adjustments for:			
Amortisation of intangible assets	5	293	504
Deemed RTO listing expenses		26,367	–
Depreciation of property, plant and equipment	4	107	122
Gain from early redemption of convertible bond	15	(97)	–
Impairment loss on intangible assets	5	193	118
Impairment loss on trade and other receivables		2,221	707
Interest income	18	(61)	(146)
Interest expense	18	110	772
Loss on disposal of property, plant and equipment		–	24
Write off of trade receivables		–	5
Share of results of associate	10	223	–
Share-based payments – Employees	10	234	–
Share-based payments – Sponsor equity shares	10	1,239	–
Share-based payments – Introducer shares	10	2,400	–
Unrealised foreign exchange loss		271	–
		6,139	243
Changes in working capital:			
Trade and other receivables		1,462	3,812
Trade and other payables		12,826	(11,675)
Cash generated from/(used in) operations		20,428	(7,620)
Interest income		61	56
Interest paid		(428)	(61)
Net cash generated from/(used in) operating activities		20,061	(7,626)
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(78)	(16)
Purchase of intangible assets	5	–	*
Repayment of investment from/(used in) associate		–	19
Capital contribution from non-controlling interest of a subsidiary		–	49
Additional investment in associate		(223)	–
Net cash inflow from reverse acquisition	2.1	1,467	–
Net cash generated from investing activities		1,166	52

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2021

	Note	Group	
		2021 \$'000	2020 \$'000
Cash flows from financing activities			
Payment of lease liabilities		(76)	(38)
Payment of lease interest		(5)	(2)
Repayment of loans and borrowings		–	(400)
Repayment of convertible bonds		(1,366)	–
Net proceeds from issuance of new shares		3,279	–
Net cash generated from/(used in) financing activities		1,832	(440)
Net increase/(decrease) in cash and cash equivalents		23,059	(8,014)
Effect of exchange rate fluctuations on cash held		(89)	47
Cash and cash equivalents at beginning of financial year		3,479	11,446
Cash and cash equivalents at end of financial year	8	26,449	3,479

* Amount less than \$1,000

Significant non-cash transactions

During the year ended 31 December 2021, the Company issued 64,516,129 (2020: 146,747) ordinary shares for the conversion of convertible bonds and its corresponding interest payable amounting to \$10,166,952 (2020; \$3,664,679) at an issue price of S\$0.155.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 8 April 2022.

1 DOMICILE AND ACTIVITIES

OxPay Financial Limited (formerly known as MC Payment Limited) (the "Company") is listed on the Singapore Exchange-Catalist and incorporated and domiciled in Singapore. The address of its registered office is 10 Ubi Crescent #05-05 Ubi Techpark Singapore 408564.

As at 31 December 2020, the Company was deemed a cash company, and was subject to the requirements of a cash company under rule 1017 of the Catalist Rules. Under the Rule 1017(2) of the Catalist rules, the SGX-ST would proceed to remove an issuer from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company. Following the completion of the Company's acquisition of Oxpay SG Pte. Ltd. (the "Reverse Acquisition") on 18 February 2021, the Company ceased to be a cash company.

The principal activities of the Company and its subsidiaries after the completion of the Reverse Acquisition ("RTO Transaction") are to carry on payment technology solution licensing, development and related hardware sales and, or rental and electronic payment processing as aggregator and master merchant.

2 BASIS OF PREPARATION

2.1 Reverse acquisition and presentation of historical financial information

Reverse acquisition

On 22 January 2021, the shareholders of the Company approved, among others, the Company's acquisition of OxPay SG Pte. Ltd. (formerly known as MC Pay Pte. Ltd.) ("OxPay") and its subsidiaries ("RTO Transaction"). Upon the completion of the RTO Transaction on 18 February 2021 ("Completion Date"), the then-existing shareholders of OxPay, on a collective basis, became the major shareholders of the Company (refer to Note 10 for more details).

At Group level

The consolidated financial statements of the Group have been prepared using the reverse acquisition accounting as set out in Singapore Financial Reporting Standards (International) SFRS(I) 3 *Business Combinations*, but it does not result in the recognition of goodwill, as the Company was deemed as a cash company and did not meet the definition of a business as set out in SFRS(I) 3. The transaction falls within the scope of SFRS(I) 2 *Share-based Payment*, which requires the shares deemed issued by the accounting acquirer to be recognised at fair value. Any difference between the consideration sum and the fair value of the Company's identifiable net assets represents a service received by the accounting acquirer, which is recognised as an expense or income in the statement of comprehensive income. For the purpose of reverse acquisition accounting, OxPay was deemed as the accounting acquirer (legal acquiree) and the Company was deemed to be the accounting acquiree (legal acquirer).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

2 BASIS OF PREPARATION (CONTINUED)

2.1 Reverse acquisition and presentation of historical financial information (Continued)

At Group level (Continued)

With the exception of share capital, the consolidated financial statements for the Group will be a continuation of the consolidated financial statements of OxPay and its subsidiaries and the results of the Company will be consolidated to the Group from the Completion Date onwards. Share capital of the Group will continue to reflect the share capital of the Company as the Company is the legal acquirer.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amount of assets acquired and liabilities assumed at date of the reverse acquisition.

	As at date of reverse acquisition \$'000
Company	
Other receivables, deposits and prepayments	23
Cash at bank and on hand	1,467
Other payables and accruals	(901)
Loan from shareholder	(559)
Amount due to Oxpay Singapore Pte. Ltd.	(400)
Bonds payable	(10,000)
Total identifiable net liabilities at fair value	(10,370)
Fair value of shares deemed issued	(15,997)
Loss from reverse acquisition	26,367
Consideration settled in cash	–
Add: Cash and cash equivalent in Company acquired	1,467
Net cash inflow from reverse acquisition	1,467

Loss on reverse acquisition of \$26.4 million had been recorded in the consolidated statement of comprehensive income for the year ended 31 December 2021 as “deemed reverse acquisition listing expenses”. The Group also incurred one-off RTO transaction related costs amounting to \$3.6 million.

The fair value of the shares deemed to be issued by the accounting acquirer is based on the number of equity interests that the accounting acquirer would have had to issue to give the owners of the accounting acquiree the same percentage equity interest in the combined entity that results from the reverse acquisition.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

2 BASIS OF PREPARATION (CONTINUED)

2.1 Reverse acquisition and presentation of historical financial information (Continued)

At Group level (Continued)

Accordingly, the financial statements and its comparative figures presented in this report are as follows:

- a. Consolidated statement of profit or loss and other comprehensive income of the Group
 - (i) The consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021 ("FY2021") are the consolidated results of the Company, OxPay and its subsidiaries (collectively, the "Group"). The results of the Company are consolidated to the Group after the Completion Date.
 - (ii) The comparative figures for the year ended 31 December 2020 ("FY2020") are the consolidated results of OxPay and its subsidiaries (collectively "OxPay Group") only.
- b. Consolidated statement of financial position of the Group
 - (i) The consolidated statement of financial position of the Group as at 31 December 2021 was prepared using reverse acquisition accounting to account for the RTO Transaction.
 - (ii) The comparative figures as at 31 December 2020 are the consolidated statement of financial positions of the OxPay Group before the completion of the RTO Transaction.
- c. Statement of financial position of the Company
 - (i) The statement of financial position of the Company as at 31 December 2021 is the statement of financial position of the Company after the completion of the RTO Transaction.
 - (ii) The comparative figures as at 31 December 2020 is the statement of financial position of the Company before the completion of the RTO Transaction.
- d. Consolidated statement of changes in equity of the Group
 - (i) The consolidated statement of changes in equity of the Group for FY2021 are the consolidated changes in equity of the Group which include the changes arising from the RTO Transaction.
 - (ii) The comparative figures for FY2020 are the consolidated statement of changes in equity of the OxPay Group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

2 BASIS OF PREPARATION (CONTINUED)

2.1 Reverse acquisition and presentation of historical financial information (Continued)

At Group level (Continued)

- e. Consolidated statement of cash flows of the Group
- (i) The condensed interim consolidated statement of cash flows for FY2021 are the consolidated cash flows of the Group.
 - (ii) The comparative figures for FY2020 are the consolidated cash flows of the OxPay Group.

At Company level

Reverse acquisition accounting applies only at the consolidated financial statements at the Group level. Therefore, in the Company's separate financial statements, the investments in the subsidiary is accounted for at cost less accumulated impairment losses, if any, in the Company's statement of financial position.

2.2 Going concern

As at 31 December 2021, the Group has accumulated losses amounting to \$52.1 million and made a loss of \$27.4 million. During the financial year ended 31 December 2021, the Group lost two of its major customers from its payment processing services ("MPS") business segment, which contributed approximately 26% of the Group's total revenue in 2021.

Notwithstanding the above, the Directors consider that it is appropriate for the financial statements of the Group to be prepared on a going concern basis, as the Directors has assessed that the Group has sufficient cash flow at least for the next twelve months from the date of this report to enable the Company to continue its operations and meet its financial obligations as and when they fall due, having considered the following:

- its committed expenditure and the cashflow requirements of the Group over 12 months from the date of this report;
- the liquidity of its existing assets of the Group;
- the forecasted cash inflows generated from the business plan by the management; and
- availability of overdraft facility of \$2.4 million as at date of this report.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

2 BASIS OF PREPARATION (CONTINUED)

2.3 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The changes to significant accounting policies are described in note 2.7.

2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.5 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.6 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 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 financial year are included in the following notes:

- Note 5 – impairment of intangible assets and goodwill; and
- Note 24 – measurement of expected credit loss (ECL) allowance for trade receivables and contract assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

2 BASIS OF PREPARATION (CONTINUED)

2.6 Use of estimates and judgements (Continued)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Management has overall responsibility for all significant fair value measurements, including Level 3 fair value, and reports directly to the Chief Financial Officer.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

2.7 Changes in accounting policies

New standards and amendments

The Group has applied the following amendments to interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2021:

- *COVID-19-Related Rent Concessions (Amendments to SFRS(I) 16)*
- *Interest Rate Benchmark Reform – Phase 2 (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16)*

The application of these amendments to standards does not have a material effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.6, which addresses changes in accounting policies.

The accounting policies have been applied consistently by Group entities.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see note (iii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(i) Business combinations (Continued)

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Investments in equity-accounted investees

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(iii) Investments in equity-accounted investees (Continued)

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Foreign currency (Continued)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (Continued)

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (Continued)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with financial institutions that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(vi) Compound financial instruments

Compound financial instruments issued by the Group comprise bonds and options denominated in Singapore dollars whereby each of the bond subscribers is granted options carrying the right to subscribe for new shares at a fixed exercise price.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability component is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

(vii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Property, plant and equipment (Continued)

(iii) Depreciation (Continued)

The estimated useful lives for the current and comparative years are as follows:

• Computer software	10 years
• Computer equipment	3 – 5 years
• Office equipment and renovation	3 years
• Payment terminals	6 years
• Furniture and fittings	3 – 10 years
• Motor vehicles	5 years
• Leased office space	2 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Intangible assets and goodwill

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 3.1(i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associate.

(ii) Patent right and trademark

Patent right and trademark are stated at cost less accumulated amortisation and impairment losses. Patent right and trademark are only amortised from the date of patent right and trademark are obtained during which benefits are expected to be derived.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Intangible assets and goodwill (Continued)

(iii) Software development cost

Costs incurred on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved product and processes. Development costs is capitalised only if the development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The costs capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the assets for intended use, and capitalised borrowing costs. Other development costs is recognised in profit or loss as incurred.

Capitalised software development costs is measured at cost less accumulated amortisation and accumulated impairment losses.

(iv) Amortisation

Amortisation is calculated based on cost of the asset, less its residual value. Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of the intangible assets, other than goodwill, from the date they are available for use. The estimated useful lives for the current and comparative years are as follows:

- Patent and trademark 10 years
- Software 5 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.6 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

As a lessee (Continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases, including leases for storage space. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.7 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (Continued)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.8 Revenue recognition

Revenue is based on the consideration specified in a contract with a customer. The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Revenue recognition (Continued)

(i) Transaction revenue

Transaction revenue consist of revenue earned for authorisation, clearing, settlement, network access and other maintenance and support services that facilitate transaction and information processing among the Group's customers. As the customer only benefits when the related transaction is processed, the Group is only entitled to payment for services upon the successful processing of the transaction and revenue is recognised upon completion of the service, at a point in time.

(ii) Sales of services

Sales of services consist of (i) software customization and development services and (ii) implementation and integration of ready solution. Software customization and development services are provided to customers as a series of distinct goods or services that are transferred over time, either separately or in combination as an integrated offering, and are treated as a single performance obligation. Revenue is recognised over time, based on the progress towards complete satisfaction of that performance obligation.

Implementation and integration of ready solutions consist of payment and loyalty application, website development and payment integration for shopping cart module. Revenue is recognised at a point in time upon successful integration and implementation.

(iii) Licensing fee

Licensing fee revenue through the licensing of this technology platform to customers. Licensee can use this platform to sell further to the end customers. The licensing arrangement is a right-to-use and licensing fee revenue would be recognised at a point in time upon completion of the arrangement.

(iv) Other revenue

Other revenue consists of (i) setup fees and subscription fees and (ii) referral fees. Setup fees consist of revenue earned upon completion of account creation and terminal installation. Subscription fees on services-based products include website hosting, domain name registration and subscriber identification module (SIM) card services. Revenue is recognised over time. Referral fees consist of revenue earned when account is created and terminal has been set up or when sale transaction is processed by the referee. The Group is only entitled to payment for services upon successful set up or completion of sales transaction by the referee and revenue is recognised upon completion of the service, at a point in time.

No adjustment is made to transaction prices for time value of money as the contracts do not include significant financing consideration.

Invoices issued to customers are due immediately or within 1 to 30 days.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Government grants

An unconditional government grant is recognised in profit or loss as 'other income' when the grant becomes receivable.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

3.10 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Unconsumed annual leave

The equivalent cost of employees' entitlements to unconsumed annual leave as at end of each financial period is accrued for and recognised as an expense in profit or loss in the period in which the related employment services are rendered.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Employee benefits (Continued)

(iv) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options and awards are recognised as an expense with a corresponding increase in the share-based compensation reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options and awards granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each reporting date, the Group revises its estimates of the number of shares under options and awards that are expected to become exercisable or allotable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share-based compensation reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share-based compensation reserve are credited to share capital account, when new ordinary shares are issued. When the awards are allotted, the related balance previously recognised in the share-based compensation reserve are credited to the share capital account when new ordinary shares are issued.

3.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.12 Finance income and cost

The Group's finance income and finance costs include interest income, interest expense, and the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Finance income and cost (Continued)

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.13 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and temporary differences relating to investment in subsidiary to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Tax (Continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.14 Earnings per share

The Group presents basic and diluted earnings per share ("EPU") data for its ordinary shares. Basic EPU is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPU is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.15 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Managing Director (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Executive Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and liabilities, head office expenses and tax assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- *SFRS(I) 17 Insurance Contracts and amendments to SFRS(I) 17 Insurance Contracts*
- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to SFRS(I) 16)*
- *Reference to the Conceptual Framework (Amendments to SFRS(I) 3)*
- *Property, plant and equipment – Proceeds before Intended Use (Amendments to SFRS(I) 1-16)*
- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to SFRS(I) 37)*
- *Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)*
- *Annual Improvements to SFRS(I)s 2018-2020*
- *Disclosure of Accounting Policies (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)*
- *Definition of Accounting Estimates (Amendments to SFRS(I) 1-8)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to SFRS(I) 1-12)*

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

4 PROPERTY, PLANT AND EQUIPMENT

Group	Computer software and equipment \$'000	Office equipment, furniture and fittings and renovation \$'000	Payment terminals \$'000	Motor vehicles \$'000	Leased properties \$'000	Total \$'000
Cost						
At 1 January 2020	726	158	871	36	54	1,845
Additions	16	*	–	–	31	47
Disposal	–	(54)	–	–	–	(54)
Effect of movements						
exchange rate	–	(2)	–	*	–	(2)
At 31 December 2020	742	102	871	36	85	1,836
Additions	33	4	41	–	154	232
Disposal	–	–	–	–	(85)	(85)
Effect of movements						
exchange rate	(1)	*	–	*	–	(1)
At 31 December 2021	774	106	912	36	154	1,982
Accumulated depreciation						
At 1 January 2020	686	126	792	36	38	1,678
Depreciation charge	13	6	69	*	34	122
Disposal	–	(30)	–	–	–	(30)
Effect of movements						
exchange rate	*	(1)	*	*	–	(1)
At 31 December 2020	699	101	861	36	72	1,769
Depreciation charge	17	1	14	–	75	107
Disposal	–	–	–	–	(85)	(85)
Effect of movements						
exchange rate	(1)	*	*	*	*	(1)
At 31 December 2021	715	102	875	36	62	1,790
Carrying amounts						
At 1 January 2020	40	32	79	–	16	167
At 31 December 2020	43	1	10	–	13	67
At 31 December 2021	59	4	37	–	92	192

* Amount less than S\$1,000.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

5 INTANGIBLE ASSETS AND GOODWILL

	Goodwill \$'000	Patent and trademark \$'000	Software development \$'000	Total \$'000
Cost				
At 1 January 2020	541	103	4,241	4,885
Additions	–	1	–	1
At 31 December 2020	541	104	4,241	4,886
Additions	–	–	–	–
Disposal	–	–	(17)	(17)
At 31 December 2021	541	104	4,224	4,869
Accumulated amortisation and impairment losses				
At 1 January 2020	541	61	2,835	3,437
Amortisation charge for the year	–	11	493	504
Impairment	–	–	118	118
At 31 December 2020	541	72	3,446	4,059
Amortisation charge for the year	–	10	283	293
Impairment	–	2	191	193
At 31 December 2021	541	84	3,920	4,545
Carrying amounts				
At 1 January 2020	–	42	1,406	1,448
At 31 December 2020	–	32	795	827
At 31 December 2021	–	20	304	324

The software costs includes capitalisation of direct labour costs for the software development.

Impairment test

Software development

The Group has 19 internally developed software solutions as at 31 December 2021 and 31 December 2020 that can be used by small business and merchants to facilitate payments using their own mobile devices. 15 of these software were impaired in prior years.

As at 31 December 2021, out of the remaining 4 software solutions, 3 software solutions (31 December 2020: 1) showed indicators of impairment due to challenging market conditions in certain countries which the Group operates in. Accordingly, management carried out a review of the recoverable amount of the software solutions. The estimated recoverable amount of the software affected, based on its value-in-use, was lower than its carrying value. 3 out of the 4 remaining software solutions amounting to \$193,232 were fully impaired as these software solutions were no longer being used by the Group and the amount is included in other expenses.

The recoverable amount of the remaining 1 software solution is higher than the carrying value.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

5 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

Impairment test (Continued)

Software development (Continued)

In determining the recoverable amount of the software solution, the following key assumptions were used:

	2021	2020
	%	%
Pre-tax discount rate	16.6	11-13

No pre-tax discount rates were used in the assessment of the 3 fully impaired software solutions as at 31 December 2021 as no future use is expected.

6 INVESTMENTS IN SUBSIDIARIES

	Company	
	2021	2020
	\$'000	\$'000
Unquoted equity shares, at cost as at beginning of the year	–	–
Additions	85,837	–
Unquoted equity shares, at cost as at end of the year	85,837	–
Allowance for impairment	(75,237)	–
	10,600	–

In 2021, the Company acquired OxPay SG Pte. Ltd. (formerly known as MC Pay Pte. Ltd.) for a consideration of \$82.8 million at the issue price of \$0.525 for 157,725,296 ordinary shares and \$3.0 million at issue price of \$0.120 for 25,207,642 ordinary shares.

As the reporting date, the Company carried out a review on whether there is any impairment on its investment in OxPay SG Pte. Ltd. (formerly known as MC Pay Pte. Ltd.). Impairment of \$75,237,000 was recognised as the recoverable amounts of OxPay SG Pte. Ltd. (formerly known as MC Pay Pte. Ltd.) after taking into consideration of the future cashflow expected to be generated from OxPay SG Pte. Ltd.

In determining the recoverable amount, the following key assumptions were used:

	2021
	%
Revenue growth rate for next 5 years	10 to 20
Terminal growth rate	2
Pre-tax discount rate	16.6

The Group assessed that it controls MCP Holding (Thailand) Company Limited although the Company owns less than half of the ownership interest as the Group has majority board seats in MCP Holdings and majority voting rights as the holder of the 51% only has 1 vote for every 10 shares as compared to the Group's 1 vote per share. The Group has the ability to direct its overall exposure to the variable returns from its investments in MCP Holding (Thailand) Company Limited, and as such, it is accounted for as a subsidiary by the Group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

6 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity held by the Company		Cost of investment	
			2021 %	2020 %	2021 \$'000	2020 \$'000
Directly held by Company						
OxPay SG Pte. Ltd. (formerly known as MC Pay Pte. Ltd.)	Provision of mobile payment technology licensing and related hardware sales, and rental and electronic payment processing as aggregator and master merchant	Singapore	100	—	85,837	—
Indirectly held via OxPay SG Pte. Ltd.						
Ffastpay Pte. Ltd. ⁱ	Provision of mobile payment technology & development	Singapore	100	100	1	1
OxPay (M) Sdn. Bhd. (formerly known as MC Payment (M) Sdn. Bhd.) ⁱⁱ	Provision of mobile payment technology licensing and related hardware sales, and rental and electronic payment processing as aggregator and master merchant	Malaysia	100	100	1,166	1,166
OxPay Global Venture Pte. Ltd. (formerly known as MC Global Venture Pte. Ltd.) ⁱ	Investment holding	Singapore	100	100	*	*
Genesis Payment Solutions Private Limited ⁱ	Provision of financial and blockchain technology services and ecommerce activities	Singapore	90	90	165	165

* Amount less than S\$1,000.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

6 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity held by the Company		Cost of investment	
			2021 %	2020 %	2021 \$'000	2020 \$'000
Indirectly held via OxPay Global Venture Pte. Ltd.						
MCP Holding (Thailand) Company Limited ⁱⁱⁱ	Investment holding	Thailand	49	49	47	47
Indirectly held via MCP Holding (Thailand) Company Limited						
MC Payment (Thailand) Company Limited ⁱⁱ	Provision of mobile payment technology & development	Thailand	74	74	900	900

i Audited by KPMG LLP, Singapore

ii Audited by KPMG, Singapore for group consolidation purposes

iii Audited by a firm other than member firms of KPMG International. These subsidiaries are insignificant to the group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

7 INVESTMENT IN ASSOCIATE

	Group	
	2021 \$'000	2020 \$'000
Interest in associate	-	-

Details of the associate is as follow:

Name of associate	Principal activities	Country of incorporation	Percentage of equity held		Cost of investment	
			2021 %	2020 %	2021 \$'000	2020 \$'000
PT MCP Indo Utama ⁱ	Provision of mobile payment technology & development	Indonesia	24	24	631	408

i Audited by a firm other than member firms of KPMG International.

The following table summarise the financial information of the Company's associate, based on their respective financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Company's accounting policies.

	PT MCP Indo Utama \$'000
2021	
Revenue	945
Loss	(1,768)
OCI	(7)
Total comprehensive loss	(1,775)
Non-current assets	221
Current assets	4,884
Non-current liabilities	(269)
Current liabilities	(8,260)
Net liabilities	(3,424)
Group's interest in net assets of investee at beginning of the year	-
Group's share of:	
- loss for the year	(223)
Group's contribution during the year	223
Carrying amount of interest in investee at end of the year	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

7 INVESTMENT IN ASSOCIATE (CONTINUED)

	PT MCP Indo Utama \$'000
2020	
Revenue	606
Loss	(1,160)
OCI	2
Total comprehensive loss	(1,158)
Non-current assets	158
Current assets	619
Non-current liabilities	(1,766)
Current liabilities	(1,646)
Net liabilities	(2,635)
Group's interest in net assets of investee at beginning of the year	-
Group's share of:	
- loss for the year	-
Carrying amount of interest in investee at end of the year	-

8 CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at bank	26,449	3,479	494	1,040

As at 31 December 2020, \$1,000,000 was placed in an escrow account operated by an escrow agent of a financial institution with high credit rating ("escrow monies") pursuant to Rule 1017(1)(a) of the Catalist Rules for cash company. On 18 February 2021, with the Company ceased to be a cash company, the balance was released from escrow.

The cash and cash equivalent balances as at 31 December 2021 and 31 December 2020 included merchant reserve cash balances. The amount payables are \$21,776,000 and \$9,014,000, respectively. Merchant reserve balances payable is included as part of trade and other payables (note 13).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

9 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade receivables	3,378	5,460	–	–
Contract assets	71	71	–	–
Less: Allowance for impairment	(2,856)	(1,639)	–	–
Net trade receivables and contract assets	593	3,892	–	–
Amount due from subsidiary (non-trade)	–	–	14	–
Other receivables	2,017	1,609	–	–
Less: Allowance for impairment	(1,971)	(1,049)	–	–
Net other receivables	46	560	–	–
Deposits	2,801	2,732	–	–
	3,440	7,184	14	–
Value-added tax and withholding tax receivables	4	–	–	–
Advance payment	39	–	13	–
Prepayments	52	12	–	3
	3,535	7,196	27	3
Non-current	13	14	–	–
Current	3,522	7,182	27	3
	3,535	7,196	27	3

The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

As at 31 December 2021, included in other receivables is an amount of \$1,079,000 (2020: \$1,064,000) due from third party, out of which \$597,000 (2020: \$582,000) bears interest at an interest rate of 6% (2020: 6%) per annum. The amount was collateralised by the ordinary shares of the borrower. There was also an amount of \$482,000 (2020: \$482,000) due from a third party arising from the disposal of MC Payment (HK) Limited. These amounts were fully provided for as there were uncertainty on the collection of these outstanding receivables.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

10 SHARE CAPITAL

	Note	Company 2021	
		No. of shares	\$'000
Issued and fully paid ordinary shares, with no par value:			
At 1 January 2021		1,797,792,986	71,777
Placement shares issued on 28 January 2021	10.1	62,305,295	600
Balance before share consolidation		1,860,098,281	72,377
Number of consolidated shares after 50: 1 share consolidation on 16 February 2021		37,201,936	72,377
Shares issued on 18 February 2021 pursuant to the RTO Transaction:			
Shares issued to acquire the entire share capital of OxPay	10.2	157,725,296	82,806
Shares issued to redeem the convertible bonds and its associated interest payable	10.3	64,516,129	10,000
Shares issued to pay to the Sponsor as part payment for its services in relation to the RTO Transaction	10.4	2,360,000	1,239
Shares issued to employees of OxPay as incentive payment	10.5	445,520	234
Placement shares issued on 12 March 2021	10.6	10,000,000	3,279
Subtotal		235,046,945	97,558
At 31 December 2021		272,248,881	169,935

	Company 2020	
	No. of shares	\$'000
Issued and fully paid ordinary shares, with no par value:		
At 1 April 2020, 1 January 2021 and 31 December 2021	1,797,792,986	71,777

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

10 SHARE CAPITAL (CONTINUED)

	Note	Group	
		2021 \$'000	2020 \$'000
Issued and fully paid ordinary shares, with no par value:			
At 1 January 2021		22,069	18,404
Consideration shares issued in relation to reverse acquisition		15,997	–
Issue of ordinary shares related to settlement of bond payable		10,000	3,665
Share-based payments – Sponsor equity shares pursuant to the RTO Transaction	10.4	1,239	–
Share-based payments – employees incentive scheme	10.5	234	–
Issue of ordinary shares for cash	10.6	4,000	–
Share issue expense	10.6	(721)	–
Share-based payments – introducer fees pursuant to the RTO Transaction paid by using OxPay's ordinary shares	10.7	2,400	–
Subtotal		33,149	3,665
At 31 December 2021		55,218	22,069

Placement shares issued on 28 January 2021

10.1 The Company obtained its shareholders' approval at the extraordinary general meeting held on 22 January 2021. On 28 January 2021, the Company completed the placement of 62,305,295 new ordinary shares (before share consolidation of 50: 1) of the Company at the issue price of S\$0.00963 per new share to the Company's controlling shareholder, Mr Ching Chiat Kwong, raising gross proceeds of S\$600,000.

Shares issued on 18 February 2021 pursuant to the RTO Transaction

On 18 February 2021, the Company completed the RTO Transaction ("**Completion**"). Pursuant to the Completion, the Company has:

10.2 acquired all the ordinary shares in the issued and paid-up capital of OxPay and became the holding company of OxPay, and in full satisfaction of total consideration of S\$82,805,780, the Company allotted and issued 157,725,296 ordinary shares to the shareholders of OxPay at an issue price of S\$0.525;

10.3 in full satisfaction of the redemption of the outstanding Bonds of S\$6,875,000 and its associated interest payable of S\$3,291,952 as at 18 February 2021, the Company allotted and issued 64,516,129 ordinary shares to Mr Ching at an issue price of S\$0.155;

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

10 SHARE CAPITAL (CONTINUED)

- 10.4** allotted and issued 2,360,000 ordinary shares at an issue price of S\$0.525 to the Company's sponsor, being part of the sponsor's fees for its services in relation to the RTO Transaction; and
- 10.5** allotted and issued 445,520 ordinary shares at an issue price of S\$0.525 to certain employees of OxPay as an incentive payment to recognise their contributions to OxPay in relation to the RTO Transaction.
- 10.6** On 12 March 2021, the Company completed the placement of 10,000,000 new ordinary shares at the issue price of S\$0.40 per new share to new investors, raising gross proceeds of \$4,000,000. Net proceeds received after deducting direct expenses relating to the placement was S\$3,279,000.
- 10.7** OxPay paid for the introducer fees of S\$2.4 million by issuing 61,491 ordinary shares of OxPay at the issue price of S\$39.03. These shares were exchanged to the shares in the Company as part of the consideration mentioned in paragraph 10.2 for above.

11 OTHER RESERVES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Share-based compensation reserve	–	–	2,515	2,515
Currency translation reserve	143	(17)	–	–
Capital reserve	2,896	2,896	*	*
	3,039	2,879	2,515	2,515

* Less than \$1,000

(i) Share-based compensation reserve

The share-based compensation reserve comprises the cumulative value of employee services received for the issue of share options and share awards. Share-based compensation reserve is non-distributable.

(ii) Capital reserve

The capital reserve comprises the equity component of the options granted in relation to the bonds payable (Note 15). Capital reserve is non-distributable.

(iii) Currency translation reserve

Currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

12 NON-CONTROLLING INTERESTS

The following subsidiaries have material non-controlling interests ("NCI"):

Name	Principal place of business/ country of incorporation	Ownership interests held by NCI	
		2021 %	2020 %
Genesis Payment Solutions Private Limited	Singapore	10	10
MCP Holdings (Thailand) Co. Ltd.	Thailand	51	51
MC Payment (Thailand) Co. Ltd.	Thailand	26.02	26.02

The following summarises the financial information of each of the Company's subsidiaries with material NCI, based on their respective financial statements prepared in accordance with FRS.

	Genesis Payment Solutions Private Limited \$'000	MCP Holdings (Thailand) Co. Ltd. \$'000	MC Payment (Thailand) Co. Ltd. \$'000	Intra-group elimination \$'000	Total \$'000
2021					
Revenue	4	–	123		
Loss	(139)	(1)	(1,147)		
OCI	–	(8)	97		
Total comprehensive loss	(139)	(9)	(1,050)		
Attributable to NCI:					
– Loss	(14)	*	(299)	12	(301)
– OCI	–	(4)	25	–	21
Non-current assets	–	444	333		
Current assets	24	*	329		
Non-current liabilities	–	–	–		
Current liabilities	(740)	(359)	(2,340)		
Net (liabilities)/assets	(716)	85	(1,678)		
Net (liabilities)/assets attributable to NCI	(72)	44	(437)	12	(453)
Cash flows used in operating activities	4	*	(356)		
Cash flows used in investing activities	–	–	(4)		
Cash flows from financing activities	–	–	63		
Net (decrease)/increase in cash and cash equivalents	4	–	(297)		

* Amount less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

12 NON-CONTROLLING INTERESTS (CONTINUED)

	Genesis Payment Solutions Private Limited \$'000	MCP Holdings (Thailand) Co. Ltd. \$'000	MC Payment (Thailand) Co. Ltd. \$'000	Intra-group elimination \$'000	Total \$'000
2020					
Revenue	131	–	86		
Loss	(159)	(1)	(860)		
OCI	–	*	(14)		
Total comprehensive loss	(159)	(1)	(874)		
Attributable to NCI:					
– Loss	(16)	*	(94)	–	(110)
– OCI	–	*	(3)	–	(3)
Non-current assets	11	486	853		
Current assets	155	*	695		
Non-current liabilities	–	–	–		
Current liabilities	(743)	(392)	(2,176)		
Net (liabilities)/assets	(577)	94	(628)		
Net (liabilities)/assets attributable to NCI	(58)	48	(163)	–	(173)
Cash flows used in operating activities	(474)	–	(271)		
Cash flows used in investing activities	–	(486)	(1)		
Cash flows from financing activities	–	486	781		
Net (decrease)/increase in cash and cash equivalents	(474)	–	509		

* Amount less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

13 TRADE AND OTHER PAYABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade payables	22,356	9,516	–	–
Other payables	564	93	332	368
Accrued operating expenses	1,163	516	216	722
Deposit received from customers	184	103	–	–
Interest payable on loans from a shareholder	121	–	121	65
Interest payable on bonds	–	407	–	3,168
	24,388	10,635	669	4,323
GST payables	6	–	–	–
Contract liabilities	16	22	–	–
	24,410	10,657	669	4,323

14 LOANS AND BORROWINGS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Loans from a shareholder	559	–	559	559
Lease liabilities	97	19	–	–
	656	19	559	559
Non-current	24	–	–	–
Current	632	19	559	559
	656	19	559	559

Loans from a shareholder comprise unsecured loans amounting to an aggregate of S\$559,000 (2020: S\$559,000) at an interest rate of 10% per annum granted by the Company's controlling shareholder, Mr Ching Chiat Kwong, who had undertaken to provide adequate funds to the Group to enable it to continue operating on a going concern basis. The loans are repayable one year after the release of the escrow monies.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

15 BONDS PAYABLE

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Convertible bonds	-	1,428	-	-
Bonds payable	-	-	-	6,875
	<u>-</u>	<u>1,428</u>	<u>-</u>	<u>6,875</u>

Group

The repayment schedule for convertible bonds is based on the final contractual maturity dates. The convertible bonds are fully redeemed by cash during the financial year.

As at 31 December 2020, the effective interest rates for the convertible bonds was 14% per annum.

Company

In full satisfaction of the redemption of the outstanding 2016 December (\$2,875,000) and 2017 April Bonds (\$4,000,000) of S\$6,875,000 and its associated interest payable on the Bonds of S\$3,291,952 as at 18 February 2021, the Company has allotted and issued 64,516,129 ordinary shares to Mr. Ching Chiat Kwong at an issue price of S\$0.155.

(a) 2016 December Bonds

On 29 December 2016, the Company announced that it had, on 27 December 2016, entered into two separate subscription agreements (the "2016 December Subscription Agreements") with Mr Low See Ching ("Mr Low") and Mr Tee Wee Sien ("Mr Tee") (together, the "2016 December Subscribers"), pursuant to which the 2016 December Subscribers agreed to subscribe for bonds in aggregate principal amount of S\$4,875,000 to be issued by the Company ("2016 December Bonds") (of which S\$2,875,000 is subscribed for by Mr Low and S\$2,000,000 is subscribed for by Mr Tee) at a subscription price of 100% of the principal amount of the Bonds ("2016 December Issuance of Bonds"). The 2016 December Issuance of Bonds have an interest rate of 10% per annum, payable when the 2016 December Bonds mature at the end of six months from the date of the 2016 December Bonds are issued or such other date as may be agreed between the Company and the 2016 December Subscribers.

On 5 June 2017, the Company has entered into two (2) separate supplemental agreements with Mr Low and Mr Tee to further extend the repayment date of the 2016 December Bonds (together with the corresponding interests) from 30 June 2017 and 19 July 2017 to 31 August 2018. All other terms and conditions remained the same.

On 30 August 2018, the Company obtained the written agreement of each of Mr Low and Mr Tee to further extend the repayment date of the 2016 December Bonds (together with the corresponding interests) from 31 August 2018 to 31 March 2019. All other terms and conditions remained the same.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

15 BONDS PAYABLE (CONTINUED)

Company (Continued)

(a) 2016 December Bonds (Continued)

On 13 May 2019, the Company obtained the written agreement of each of Mr Low and Mr Tee to further extend the repayment date of the 2016 December Bonds (together with the corresponding interests) from 31 March 2019 to 31 March 2020. All other terms and conditions remained the same.

On 18 February 2020 and 19 February 2020, the Company obtained the written agreement of each of Mr Low and Mr Tee, respectively, to further extend the repayment date of the 2016 December Bonds (together with the corresponding interests) from 31 March 2020 to 31 July 2021, with the interest rate in respect of the 2016 December Bonds to be adjusted from 10% to 12% per annum with effect from 1 April 2020, in consideration of the agreement of Mr Low and Mr Tee to extend the repayment date as set out above, and to compensate each of them for the expiry of the 2016 December Bonds Options held by them (which expired on 29 December 2019 and 18 January 2020 respectively, details as set out below). On 31 March 2020, Mr Low transferred all of his 2016 December Bonds to Mr Tee.

In connection with the 2016 December Issuance of Bonds, the Company had, on 27 December 2016, entered into two separate option deeds with the 2016 December Subscribers respectively, pursuant to which the Company granted the 2016 December Subscribers a total of 740,740,740 share options ("2016 December Options"), whereby each of the 2016 December Subscribers is granted 370,370,370 2016 December Options, with each 2016 December Option carrying the right to subscribe for one new Share ("2016 December Option Share") at the exercise price of S\$0.0162 for each 2016 December Option Share.

On 7 April 2017, the Company announced that an exercise notice was received from Mr Tee to exercise 185,185,185 share options at S\$3.0 million, in accordance to the option deed. On 11 April 2017, the exercise was completed and the shares were duly allotted and issued to him.

On 29 December 2019, all of Mr Low's 370,370,370 2016 December Options had expired. On 18 January 2020, all of the balance of Mr Tee's 185,185,185 2016 December Options had expired. As such, there were no outstanding 2016 December Options as at 31 March 2020 and 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

15 BONDS PAYABLE (CONTINUED)

Company (Continued)

(b) 2017 April Bonds

On 6 April 2017, the Company announced that it had on 5 April 2017, entered into a subscription agreement (the "2017 April Subscription Agreement") with Mr Tang Boo Teck ("Mr Tang") (the "2017 April Subscriber"), pursuant to which the 2017 April Subscriber agreed to subscribe for bonds in aggregate principal amount of S\$2,000,000 to be issued by the Company ("2017 April Bonds") at a subscription price of 100% of the principal amount of the Bonds ("2017 April Issuance of Bonds"). The 2017 April Issuance of Bonds have an interest rate of 15% per annum, payable when the 2017 April Bonds mature at the end of six months from the date of the 2017 April Bonds are issued or such other date as may be agreed between the Company and the 2017 April Subscriber.

On 5 June 2017, the Company has entered into a supplemental agreement with Mr Tang to further extend the repayment date of the 2017 April Bonds (together with the corresponding interests) from 6 October 2017 to 31 August 2018. All other terms and conditions remained the same.

On 30 August 2018, the Company obtained the written agreement of Mr Tang to further extend the repayment date of the 2017 April Bonds (together with the corresponding interests) from 31 August 2018 to 31 March 2019. All other terms and conditions remained the same.

On 13 May 2019, the Company obtained the written agreement of Mr Tang to further extend the repayment date of the 2017 April Bonds (together with the corresponding interests) from 31 March 2019 to 31 March 2020. All other terms and conditions remained the same.

On 19 February 2020, the Company obtained the written agreement of Mr Tang to further extend the repayment date of the 2017 April Bonds (together with the corresponding interests) from 31 March 2020 to 31 July 2021, with the interest rate in respect of the 2017 April Bonds to be adjusted from 15% to 17% per annum with effect from 1 April 2020, in consideration of the agreement of Mr Tang to extend the repayment date as set out above, and to compensate Mr Tang for the expiry of the 2017 April Options held by him on 4 April 2020 (details as set out below). On 31 March 2020, Mr Tang transferred all of his 2017 April Bonds to Mr Tee.

In connection with the 2017 April Issuance of Bonds, on 5 April 2017, the Company entered into an option deed with the 2017 April Subscriber, pursuant to which the Company granted 2017 April Subscriber 200,000,000 share options ("2017 April Options") with each 2017 April Option carrying the right to subscribe for one new Share ("2017 April Option Share") at the exercise price of S\$0.0216 for each 2017 April Option Share.

As at 31 March 2020, none of the 2017 April Options have been exercised. The 2017 April Options expired on 4 April 2020. As such, there were no outstanding 2017 April Options as at 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

15 BONDS PAYABLE (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	Loan from third parties \$'000	Loans from a shareholder \$'000	Bonds payable \$'000	Lease liabilities \$'000	Total \$'000
Balance as at 1 January 2020	400	–	4,126	26	4,552
Changes from financing cash flows					
Payment of lease liabilities	–	–	–	(38)	(38)
Payment of lease interest	–	–	–	(2)	(2)
Repayment of loan from third parties	(400)	–	–	–	(400)
Total changes from financing cash flows	–	–	–	(40)	(440)
Other changes					
Issuance of shares	–	–	(3,022)	–	(3,022)
Interest expense	–	–	324	2	326
New leases	–	–	–	31	31
Balance as at 31 December 2020	–	–	1,428	19	1,447
Balance as at 1 January 2021	–	–	1,428	19	1,447
Changes from financing cash flows					
Payment of lease liabilities	–	–	–	(76)	(76)
Payment of lease interest	–	–	–	(5)	(5)
Repayment of bonds payable	–	–	(1,366)	–	(1,366)
Total changes from financing cash flows	–	–	(1,366)	(81)	(1,447)
Other changes					
Acquisition of subsidiary (RTO)	–	559	–	–	–
Gain on early redemption of bonds payable	–	–	(97)	–	(97)
Interest expense	–	–	35	5	40
New leases	–	–	–	154	154
Balance as at 31 December 2021	–	559	–	97	656

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

16 REVENUE

Revenue represents invoiced value of goods sold less returns and discounts and services rendered.

	Group	
	2021	2020
	\$'000	\$'000
Transaction revenue	7,685	7,405
Sales of services	6,011	3,582
Other revenue	3,848	120
	<u>17,544</u>	<u>11,107</u>

Transaction revenue

Nature of services	Authorisation, clearing, settlement, network access and other maintenance and support services that facilitate transaction and information processing.
When revenue is recognised	Upon successful processing of the transaction.
Significant payment terms	Payment is due when the transaction is processed.

Sales of services

Nature of services	(i) Software customization and development services and (ii) implementation and integration of ready solution.
When revenue is recognised	(i) Based on the progress towards complete satisfaction of that performance obligation. (ii) Revenue is recognised at a point in time upon successful integration and implementation.
Significant payment terms	(i) Payment is due upon complete satisfaction of performance obligation. (ii) Payment is due upon successful integration and implementation.

Other revenue

Nature of services	<p>(i) Setup fees and subscription fees, (ii) referral fees and (iii) withdrawal services.</p> <p>Setup fees consist of revenue earned upon completion of account creation and terminal installation. Subscription fees on services-based products include website hosting, domain name registration and subscriber identification module (SIM) card services.</p>
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

16 REVENUE (CONTINUED)

Other revenue (Continued)

	<p>Referral fees consist of revenue earned when account is created and terminal has been set up or when sale transaction is processed by the referee.</p> <p>Domestic withdrawal and transfer services consist of revenue earned when the transaction is processed.</p>
When revenue is recognised	Revenue is recognised over time for (i) Setup fees and subscription fees, point in time for (ii) referral fees and (iii) domestic withdrawal and transfer services.
Significant payment terms	<p>Payment is due 1 to 30 days upon billing for (i) Setup fees and subscription fees, (ii) referral fees.</p> <p>Payment is due when payment is processed for (iii) domestic withdrawal and transfer services.</p>

Timing of revenue recognition

Performance obligations satisfied at a point in time	11,253	7,457
Performance obligations satisfied over time	<u>6,291</u>	<u>3,650</u>
	<u>17,544</u>	<u>11,107</u>

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	2021	2020
	\$'000	\$'000
Trade receivables	3,378	5,460
Contract assets	71	71
Contract liabilities	16	22

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date for sales of services. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

The contract liabilities primarily relate to advance consideration received from customers for transaction revenue.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

16 REVENUE (CONTINUED)

Contract balances (Continued)

Significant changes in the contract assets and the contract liabilities balances during the period are as follows.

	Contract assets		Contract liabilities	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	–	–	22	14
Increases due to cash received, excluding amounts recognised as revenue during the year	–	–	(16)	(22)
Contract asset reclassified to trade receivables	–	(86)	–	–
	<u>–</u>	<u>(86)</u>	<u>–</u>	<u>–</u>

17 OTHER INCOME

	Group	
	2021 \$'000	2020 \$'000
Gain from early redemption of bonds	97	–
Government subsidies	217	206
Sundry income	110	9
	<u>424</u>	<u>215</u>

Government grants include Jobs Support Scheme, Wage Credit Scheme, Jobs Growth Incentives and Digital Acceleration Grant.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

18 FINANCE INCOME AND COSTS

	Group	
	2021 \$'000	2020 \$'000
Finance income		
Interest income	61	146
Foreign exchange gain	–	20
	61	166

	Group	
	2021 \$'000	2020 \$'000
Finance costs		
Interest expenses on lease liabilities	5	2
Interest expense on loans from director and third party	49	10
Interest expenses on bonds payable	56	760
Foreign exchange loss	240	–
	350	772

19 LOSS BEFORE TAX

	Note	Group	
		2021 \$'000	2020 \$'000
Salaries, bonus and other staff costs		2,729	2,061
Employer's contribution to defined contribution plans including Central Provident Fund		199	172
Professional services fees		3,882	64
Impairment loss on intangible assets	5	193	118
Amortisation of intangible assets	5	293	503
Write off of other receivables	9	–	5
Research and development		419	164
Depreciation of property, plant and equipment	4	107	122
Loss on disposal of plant and equipment	4	–	24

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

20 TAX EXPENSE

	Group 2021 \$'000	2020 \$'000
Current tax expense	–	–
Reconciliation of effective tax rate		
Loss before tax	(27,361)	(1,863)
Add: Share of loss of joint venture and associate	223	–
	(27,138)	(1,863)
Tax calculated using Singapore tax rate of 17% (2020: 17%)	(4,614)	(317)
Effect of tax rates in foreign jurisdictions	(26)	(25)
Non-deductible expenses	5,201	213
Unutilised tax losses not recognised	–	136
Recognition of tax effect of previously unrecognized tax losses	(561)	–
Utilisation of deferred tax assets previously not recognised	*	(6)
Change in unrecognised temporary differences	–	(1)
	–	–

	Group			
	2021		2020	
	Gross amount \$'000	Tax effect \$'000	Gross amount \$'000	Tax effect \$'000
Unutilised tax losses	6,151	1,045	9,450	1,606
Unutilised capital allowances	174	30	176	30
Unutilised donations	1	*	1	*
	6,326	1,075	9,628	1,636

* Amount less than \$1,000

Deferred tax assets have not been recognised as it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective country in which the subsidiaries operate. These unutilised tax losses and capital allowances do not expire under current tax legislation except for an amount of \$1,974,000 (2020: \$1,495,000) that can be carried forward for maximum of five to seven years, from the year the tax losses arose for the Company's overseas subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

21 LOSS PER SHARE

(a) Basic loss per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. The calculation of basic loss per share has been based on the following net loss attributable to owners of the Company and weighted average number of ordinary shares outstanding.

	<u>2021</u>	<u>2020</u>
Net loss attributable to owners of the Company (\$'000)	(27,060)	(1,753)
Weighted average number of ordinary shares		
Effect of shares held by the shareholders of the Company post consolidation	32,207,703	–
Effect of shares issued to acquire the entire share capital of Oxpay	136,551,215	–
Effect of shares issued related to bond redemption	55,855,060	–
Effect of shares issued to sponsor	2,043,178	–
Effect of shares issued related to employees' incentives scheme	385,710	–
Effect of shares issued for cash as part of the placement shares issued on 12 March 2021	8,054,795	–
Issued shares held by Oxpay SG	–	143,397,516
Effect of shares issued by Oxpay SG related to bond redemption	–	1,629,527
Weighted average number of ordinary shares outstanding during the year	235,097,661	145,027,043*
Basic loss per share (cents)	(11.51)	(1.21)

* Weighted average number of shares of Oxpay SG Pte. Ltd. which has taken in the impact of share consolidation

(b) Diluted loss per share

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

There are no potential dilutive ordinary shares as at 31 December 2021.

Diluted loss per share attributable to equity holders of the Company is calculated as follows:

	<u>2021</u>	<u>2020</u>
Net loss used to determine diluted loss per share (\$'000)	(27,060)	(1,753)
Weighted average number of ordinary shares (diluted)	255,703,761	1,797,792,986
Diluted loss per share (cents)	(11.51)	(1.21)

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on average of daily last done price for the year during which the options were outstanding.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

22 LEASES

Leases as lessee

The Group leases office properties. The leases typically run for a period of 2 years, with an option to renew the lease after that date.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see Note 4).

	Leased properties	
	2021 \$'000	2020 \$'000
Balance at 1 January	13	16
Additions	154	31
Depreciation charge for the year	(75)	(34)
Balance at 31 December	92	13

Amounts recognised in profit or loss

	2021 \$'000	2020 \$'000
Interest on lease liabilities	5	2

Amounts recognised in statement of cash flows

	2021 \$'000	2020 \$'000
Total cash outflow for leases	(81)	(40)

23 CONTINGENT LIABILITIES

As at 31 December 2021, the Group granted banker's guarantee of \$660,000 for security deposit required by a payment acquirer. The security deposit is required by the payment acquirer in the event Group is unable to settle any outstanding amount due to the payment acquirer. The Group does not expect any situation that would result in its inability to settle any payable due to the payment acquirer.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

Financial risk management is integral to the business of the Group. The Group has a system of controls and policies such as authority levels and oversight responsibilities to manage risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee and Board of Directors oversee how management monitors compliance with the Group's risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's and the Company receivables from counterparties.

The Group's major classes of financial assets are cash and cash equivalents and trade and other receivables. The Group does not require or hold collateral on account of its receivables except for an amount of other receivables as disclosed in Note 9. The maximum exposure to credit risk for each class of financial asset is the carrying amount of that class of financial asset as shown on the statement of financial position. The Group's exposure to credit risk arises mainly through its trade and other receivables. Exposure to credit risk is monitored on an ongoing basis.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

Trade receivables and contract assets

The Group uses an allowance matrix to measure the ECLs of trade receivables and contract assets from individual customers. Loss rates are based on actual credit loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

A summary of the exposures to credit risk for trade receivables and contract assets were as follows:

	2021		2020	
	Not credit impaired \$'000	Credit impaired \$'000	Not credit impaired \$'000	Credit impaired \$'000
Not past due	455	–	3,818	657
Past due 1 to 30 days	49	–	4	–
Past due 31 to 60 days	73	–	*	–
Past due 61 to 90 days	7	–	2	–
More than 90 days	9	2,785	8	911
Contract assets	–	71	–	71
Total gross carrying amount	593	2,856	3,892	1,639
Loss allowance	–	(2,856)	–	(1,639)
	593	–	3,892	–

* Amount less than \$1,000

Movements in allowance for impairment in respect of trade receivables

The movement in allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	Lifetime ECL \$'000
At 1 January 2020	1,608
Impairment loss recognised	657
Allowance written off	(626)
At 31 December 2020	1,639
Impairment loss recognised	1,768
Allowance written off	(4)
Reclassification to other receivables	(480)
Exchange difference	(67)
At 31 December 2021	2,856

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL RISK MANAGEMENT (CONTINUED)

Movements in allowance for impairment in respect of trade receivables (Continued)

Cash and cash equivalents

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the high credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Other receivables

Impairment on other receivables has been measured on the 12-month expected credit loss basis; and the amount of the allowance is as follows:

	\$'000
At 1 January 2020	1,007
Impairment loss recognised	50
Exchange difference	(8)
At 31 December 2020	1,049
Impairment loss recognised	453
Reclassification from trade receivables	480
Exchange difference	(11)
At 31 December 2021	1,971

Deposits

Impairment on deposits has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is negligible.

Non-trade amounts due from a subsidiary

The Company held non-trade receivables from its subsidiary of \$14,000 (2020: \$NIL). Impairment on these balances has been measured on the 12 month expected credit loss basis; and the amount of the allowance is insignificant.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities.

	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows	
			Within 1 year \$'000	Within 1 to 5 years \$'000
Group				
31 December 2021				
Trade and other payables*	24,388	24,388	24,388	–
Lease liabilities	97	114	90	24
Loans from a shareholder	559	615	615	–
	25,044	25,117	25,093	24
31 December 2020				
Trade and other payables*	10,635	10,635	10,635	–
Bonds payable	19	19	19	–
Bond payable	1,428	1,822	1,822	–
	12,082	12,476	12,476	–

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (Continued)

	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows Within 1 year \$'000	Within 1 to 5 years \$'000
Company				
31 December 2021				
Other payables*	669	669	669	–
Loans from a shareholder	559	615	615	–
	1,228	1,284	1,284	–
31 December 2020				
Other payables*	4,323	4,323	4,323	–
Bonds payable	6,875	6,999	6,999	–
Loans from a shareholder	559	615	615	–
	11,757	11,937	11,937	–

* Trade and other payables exclude contract liabilities and GST payables.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk is managed through established investment policies and guidelines. These policies and guidelines are reviewed regularly taking into consideration changes in the overall market environment.

Currency risk

Currency risk arises from a change in foreign currency exchange rate, which is expected to have adverse effect on the Group and the Company in the current reporting period and in future years.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency risk (Continued)

The Group's main currency risk arises from foreign currency denominated sales and purchases, and operating expenses. This risk is mitigated to certain extent by the natural hedge between sales receipts and purchases, and operating expenses disbursement. The currencies in which these transactions are primarily denominated in are the Singapore dollar (SGD), United States dollar (USD), Euro (EUR) and Japanese Yen (JPY).

	EUR \$'000	USD \$'000	JPY \$'000
2021			
Financial assets			
Cash and cash equivalents	173	8,730	717
Trade and other receivables [^]	2,371	308	39
	2,544	9,038	756
Financial liabilities			
Trade and other payables [*]	(956)	(4,251)	(416)
Net currency exposure	1,588	4,787	340
	EUR \$'000	USD \$'000	JPY \$'000
2020			
Financial assets			
Cash and cash equivalents	493	459	1,352
Trade and other receivables [^]	2,327	1,014	876
	2,820	1,473	2,228
Financial liabilities			
Trade and other payables [*]	(2,822)	(4,615)	(1,479)
Net currency exposure	(2)	(3,142)	749

[^] Trade and other receivables exclude prepayments, advance payment and value-added tax and withholding tax receivables.

^{*} Trade and other payables exclude contract liabilities and GST payables.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency risk (Continued)

Sensitivity analysis

A reasonably possible strengthening/(weakening) of the Singapore dollar, as indicated below, against the EUR, USD and JPY at 31 December would have increased (decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	Impact on net profit before tax	
	Increase/(Decrease)	
	2021	2020
	\$'000	\$'000
EUR against SGD		
– 5% strengthening (2020: 5%)	79	–
– 5% weakening (2020: 5%)	(79)	–
USD against SGD		
– 5% strengthening (2020: 5%)	239	(157)
– 5% weakening (2020: 5%)	(239)	157
JPY against SGD		
– 5% strengthening (2020: 5%)	17	37
– 5% weakening (2020: 5%)	(17)	(37)

As at reporting date, the Company is not subject to any foreign currency risk as there are no material assets or liabilities which are denominated in foreign currencies.

Interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group and Company	
	2021	2020
	\$'000	\$'000
Fixed rate instruments		
Bonds payable	–	6,875
Loans from a shareholder	559	559

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate instruments at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern and to maintain or achieve an optimal capital structure so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board monitors the working capital requirements of the Group periodically to ensure that there are sufficient financial resources available to meet the needs of the business. In order to maintain or achieve an optimal capital structure, the Group may issue new shares or obtain new borrowings.

The capital structure of the Group consists primarily of equity, comprising issued share capital and reserves. The Group is not subject to any externally imposed capital requirements.

There were no changes in the Group's approach to capital management during the year.

Accounting classifications

The classification of financial assets and liabilities are as follows. The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short-term period to maturity. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000
Group			
31 December 2021			
Trade and other receivables [^]	3,440	–	3,440
Cash and cash equivalents	26,449	–	26,449
	29,889	–	29,889
Trade and other payables*	–	24,388	24,388
Lease liabilities	–	97	97
Loans from a shareholder	–	559	559
	–	25,044	25,044
31 December 2020			
Trade and other receivables [^]	7,184	–	7,184
Cash and cash equivalents	3,479	–	3,479
	10,663	–	10,663
Trade and other payables*	–	10,635	10,635
Lease liabilities	–	19	19
Bonds payable	–	1,428	1,428
	–	12,082	12,082

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

24 FINANCIAL RISK MANAGEMENT (CONTINUED)

Accounting classifications (Continued)

	Amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000
Company			
31 December 2021			
Other receivables*	14	–	14
Cash and cash equivalents	494	–	494
	508	–	508
Other payables*	–	669	669
Loans from a shareholder	–	559	559
	–	1,228	1,228
31 December 2020			
Cash and cash equivalents	1,040	–	1,040
Other payables*	–	4,323	4,323
Bonds payable	–	6,875	6,875
Loans from a shareholder	–	559	559
	–	11,757	11,757

^ Trade and other receivables exclude prepayments, advance payment and value-added tax and withholding tax receivables.

* Trade and other payables exclude contract liabilities and GST payables.

Non-current bonds payable and interest payable on bonds

Fair value is estimated as the present value of future cash flows discounted at current interest rates for similar instruments at the reporting date. The bonds have maturity of less than one year, hence are assumed to approximate their fair values because of the short-term period to maturity.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, loans from shareholder and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and financial liabilities are discounted to determine their fair values.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

25 RELATED PARTIES

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group or Company and related parties at terms agreed between the parties:

	Group	
	2021	2020
	\$'000	\$'000
Key management personnel compensation is as follows:		
Short term employee benefits	101	360
Post-employment benefits (including Central Provident Fund)	–	12
	101	372
Short term employee benefits paid by subsidiaries	1,129	152
Post-employment benefits (including Central Provident Fund)	44	4
	1,274	528
	Company	
	2021	2020
	\$'000	\$'000
Transaction with a controlling shareholder (within the meaning under the SGX-ST Catalist Listing Rule):		
Loans from a shareholder	–	559
Interest payable to the controlling shareholder	56	38

26 OPERATING SEGMENTS

These operating segments information is based on the Group's internal reporting structure for the purpose of allocating resources and assessing performance by the management's Managing Director ("**MD**").

The Group is principally engaged in the provision of payment processing services ("**MPS**") and digital commerce enabling services ("**DCES**"), with focus on the retail, transportation, and food and beverage industries. The Group operates two (2) distinct business segments:

- 1.1 MPS business segment – The Group provides payment processing services through its unified platform and smart software, which can be (a) installed onto or integrated with any smart devices (including mobile phones, tablets, and smart point-of-sales ("**POS**") terminals) for merchants with physical stores or (b) integrated into websites and applications of online merchants.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

26 OPERATING SEGMENTS (CONTINUED)

- 1.2 DCES business segment – The Group provides its ancillary services, such as the sale/lease of smart POS terminals, provision of proprietary and licensed software as a service, and white-labelling of its proprietary or licenced software, and development of bespoke software for its merchants.
- 1.3 Unallocated segment refers to the income, expenses, assets and liabilities that are not allocated to MPS or DCES. It primarily comprises income (if any), expenses, assets and liabilities that are associated with the Company and any other adjustments that may be made on the consolidated accounts of the Group.

	Group			
	Year ended 31 December 2021			
	MPS	DCES	Unallocated	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000
Total segment revenue	11,533	6,011	–	17,544
Inter-segment revenue	–	–	–	–
Revenue from external parties	11,533	6,011	–	17,544
Depreciation	(65)	(42)	–	(107)
Amortisation	(225)	(68)	–	(293)
Finance income	59	2	–	61
Finance costs	(298)	(3)	(49)	(350)
Segment profit/(loss)	521	83	(27,742)	(27,138)
Share of loss of associate	(216)	(7)	–	(223)
Other material non-cash items:				
Impairment loss on trade and other receivables	2,155	66	–	2,221
Deemed RTO listing expenses	–	–	26,367	26,367
Reportable segment assets	29,683	310	507	30,500
Reportable segment liabilities	(23,731)	(107)	(1,228)	(25,066)
Capital expenditure	180	52	–	232

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

26 OPERATING SEGMENTS (CONTINUED)

	Group			
	Year ended 31 December 2020			
	MPS S\$'000	DCES S\$'000	Unallocated S\$'000	Consolidated S\$'000
Total segment revenue	7,525	3,582	–	11,107
Inter-segment revenue	–	–	–	–
Revenue from external parties	7,525	3,582	–	11,107
Depreciation	(83)	(39)	–	(122)
Amortisation	(341)	(162)	–	(503)
Finance income	112	54	–	166
Finance costs	(523)	(249)	–	(772)
Segment loss	(1,262)	(601)	–	(1,863)
Other material non-cash items:				
Impairment loss on trade and other receivables	479	228	–	707
Reportable segment assets	7,838	3,731	–	11,569
Reportable segment liabilities	(8,200)	(3,904)	–	(12,104)
Capital expenditure	32	15	–	47

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is analysed based on the geographical location of customers and segment non-current assets are analysed based on the location of the assets.

	Revenue		Non-current assets*	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Singapore	11,771	7,381	480	891
Malaysia	5,650	3,639	31	1
Thailand	123	87	5	2
Total	17,544	11,107	516	894

* Non-current assets exclude financial instrument (other than equity-accounted investees).

Major customer

A major customer contributed approximately \$5,336,000 (2020: nil) of the Group's total revenues from the MPS business segment for the year ended 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

27 SUBSEQUENT EVENTS

Subsequent to the reporting date, the Group has the following subsequent events:

- (a) On 23 March 2021, the banker's guarantee of \$200,000 for security deposit by MAS was terminated due to the change of the Company's name. A new banker's guarantee was granted on 25 February 2022.
- (b) On 28 February 2022, share capital of subsidiaries were increased as follow:

The Company's wholly-owned subsidiary, OxPay Global Venture Pte. Ltd. ("OxPay Global") (formerly known as MC Global Venture Pte. Ltd.), has subscribed for the following:

- (i) 88,200 new shares in MC Payment (Thailand) Co., Ltd. ("MCP Thailand") (an approximate 74%-owned subsidiary of the Company) at par value of THB 100 each, for an aggregate cash consideration of THB 8,820,000 (equivalent to approximately S\$362,2181); and
 - (ii) 4,900 new shares in MCP Holdings (Thailand) Co., Ltd. ("MCPHT") (an approximate 49%-owned associated company of the Company) at a premium above the par value (of THB 100 each) of THB 1,769.39 each, for an aggregate cash consideration of THB8,670,000 (equivalent to approximately S\$356,0571).
- (c) On 28 February 2022, MCPHT has subscribed for 91,800 new shares in MCP Thailand, at par value of THB 100 each, for an aggregate cash consideration of THB 9,180,000 (equivalent to approximately S\$377,0021).

STATISTICS OF SHAREHOLDINGS

AS AT 17 MARCH 2022

Issued and paid-up capital	:	S\$175,816,947.182
Number of shares	:	272,248,881
Number of voting shares	:	272,248,881
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share

The Company does not hold any treasury shares and there are no subsidiary holdings.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

As at 17 March 2022

<u>SIZE OF SHAREHOLDINGS</u>	<u>NO. OF SHAREHOLDERS</u>	<u>% OF SHAREHOLDERS</u>	<u>NO. OF SHARES</u>	<u>% OF SHAREHOLDINGS</u>
1 – 99	152	5.72	4,704	0.00
100 – 1,000	459	17.29	275,740	0.10
1,001 – 10,000	1,076	40.53	5,515,215	2.03
10,001 – 1,000,000	936	35.25	61,792,153	22.70
1,000,001 and above	32	1.21	204,661,069	75.17
Total	2,655	100.00	272,248,881	100.00

SUBSTANTIAL SHAREHOLDERS

As recorded in the Register of Substantial Shareholders as at 17 March 2022

<u>NAME OF SHAREHOLDERS</u>	<u>DIRECT INTEREST</u>		<u>DEEMED INTEREST</u>	
	<u>NO. OF SHARES</u>	<u>%</u>	<u>NO. OF SHARES</u>	<u>%</u>
Ching Chiat Kwong	73,663,613	27.06	–	–

STATISTICS OF SHAREHOLDINGS

AS AT 17 MARCH 2022

TWENTY LARGEST SHAREHOLDERS

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHAREHOLDINGS
1	CHING CHIAT KWONG	70,952,113	26.06
2	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	30,554,002	11.22
3	GOH WAY SIONG	9,440,563	3.47
4	LEE YEW SHIN	8,707,626	3.20
5	TEE WEE SIEN (ZHENG WEIXIAN)	7,938,866	2.92
6	DBS NOMINEES (PRIVATE) LIMITED	7,689,627	2.82
7	TOH SOON HUAT	6,807,629	2.50
8	PHILLIP SECURITIES PTE LTD	5,457,351	2.00
9	LEE YUET WAH	5,140,122	1.89
10	JEFFERY ONG @JEFFERY RAHARDJA	4,307,305	1.58
11	MAYBANK SECURITIES PTE. LTD.	4,290,194	1.58
12	ESW MANAGE PTE LTD	4,243,141	1.56
13	UOB KAY HIAN PRIVATE LIMITED	3,895,038	1.43
14	IFAST FINANCIAL PTE. LTD.	3,795,808	1.39
15	LEE HOCK ENG	3,211,577	1.18
16	TAN YONG HOA	2,920,490	1.07
17	OCBC SECURITIES PRIVATE LIMITED	2,419,029	0.89
18	NG HWEE HWEE	2,216,961	0.81
19	DB NOMINEES (SINGAPORE) PTE LTD	2,153,125	0.79
20	LEONG YIN PING	2,099,373	0.77
	TOTAL	188,239,940	69.13

PERCENTAGE OF SHAREHOLDING HELD BY THE PUBLIC

Based on the information provided to the Company as at 17 March 2022, approximately 72.85% of the issued ordinary shares of the Company are held by the public. Accordingly, Rule 723 of the Listing Manual Section B: Rules of Catalist of the SGX-ST has been complied with.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Tan Chee Keong and Mr Chee Kheng Hock, Rothschild are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened and held on 26 April 2022.

The following additional information relating to the aforesaid Directors is to be read in conjunction with their respective profiles in "Profile of Directors" section on pages 8 to 10.

Details required under Appendix 7F of the Catalist Rules	Tan Chee Keong	Chee Kheng Hock, Rothschild
Date of Initial Appointment	30 June 2021	30 June 2021
Date of last re-appointment (if applicable)	Not applicable	Not applicable
Age	45	40
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Tan as an executive director was recommended by the Nominating Committee and accepted by the Board, having regard to his performance, knowledge, skills and experience, and overall contributions since his appointment.	The re-election of Mr Chee as an independent director was recommended by the Nominating Committee and accepted by the Board, having regard to his performance, knowledge, skills and experience, and overall contributions since his appointment. The Board considers Mr Chee to be independent for the purpose of Rule 704(7) of the Catalist Rules.
Whether appointment is executive, and if so, the area of responsibility	Executive Responsible for the overall strategic direction and development of the Group as well as for overseeing the marketing efforts and the technical operations of the Group.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Managing Director	Non-Executive Independent Director, Chairman of the Nominating Committee and member of the Audit Committee and the Remuneration Committee

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details required under Appendix 7F of the Catalist Rules	Tan Chee Keong	Chee Kheng Hock, Rothschild
Professional qualifications	<p>Bachelor in Human Resource Management with Financial Management, Edinburgh Napier University</p> <p>Diploma in Equities & Investment Analysis (Portfolio Management), Singapore Human Resources Institute</p> <p>Awarded Certificate in AXSI Digital Finance Leadership Programme by Singapore Management</p>	<p>Bachelor in Economics and Sociology, National University of Singapore</p> <p>Masters in Applied Finance, Macquarie University</p>
Working experience and occupation(s) during the past 10 years	<p>April 2019 – June 2021 Head of Payments Consulting, American Express International Inc.</p> <p>October 2015 – April 2019 Group Head, Commercial Cards & Merchant Acquiring, Citibank Singapore Limited</p> <p>June 2014 – October 2015 Head of Sales (Commercial Cards), Citibank Singapore Limited</p> <p>May 2010 – June 2014 Assistant Vice President (Commercial Cards), Citibank Singapore Limited</p>	<p>July 2019 – Present Portfolio Manager, Chee Swee Cheng & Company Pte. Ltd.</p> <p>January 2013 – July 2019 Chief Commercial Officer, General Manager Indonesia, General Manager Thailand, Red Dot Payment Pte Ltd</p> <p>June 2011 – December 2012 Relationship Manager, AFC Merchant Bank</p>
Shareholding interest in the listed issuer and its subsidiaries	Mr Tan holds 343,137 share awards of the Company.	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Tan holds 343,137 share awards of the Company, and is currently a director of the Company's subsidiaries, as set out below.	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details required under Appendix 7F of the Catalyst Rules	Tan Chee Keong	Chee Kheng Hock, Rothschild
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code – "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)		
Past (for the last 5 years)	Nil	Red Dot Payment Pte. Ltd. Red Dot (Taiwan) Pte. Ltd. TLCW Ventures Pte. Ltd.
Present	OxPay SG Pte. Ltd. Ffastpay Pte. Ltd. Genesis Payment Solutions Private Limited OxPay Global Venture Pte. Ltd. OxPay Investment Pte. Ltd.	Chee Swee Cheng & Company Limited (alternate director) Heeren Properties Pte Ltd Swee Cheng Management Pte Ltd Swee Cheng Holdings Pte Ltd Builder Bros Pte. Ltd. Wellington Development (S) Pte Limited Chee Bay Hoon Realty Pte. Ltd. Chee Teng Hee Pte Ltd James Chee Pte. Ltd. Jonton Partners Pte. Ltd. New Retail International Pte. Ltd. Handsome Builder Bros Pte. Ltd. Scarlet Aesthetics Pte. Ltd. Super Builder Bros Pte. Ltd.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details required under Appendix 7F of the Catalist Rules	Tan Chee Keong	Chee Kheng Hock, Rothschild
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details required under Appendix 7F of the Catalist Rules	Tan Chee Keong	Chee Kheng Hock, Rothschild
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details required under Appendix 7F of the Catalyst Rules	Tan Chee Keong	Chee Kheng Hock, Rothschild
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details required under Appendix 7F of the Catalist Rules	Tan Chee Keong	Chee Kheng Hock, Rothschild
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Any prior experience as a director of an issuer listed on the Exchange? (Yes/No)	Not applicable. This is in relation to re-election of a director.	Not applicable. This is in relation to re-election of a director.
If yes, please provide details of prior experience.	Not applicable	Not applicable
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not applicable	Not applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable. This is in relation to re-election of a director.	Not applicable. This is in relation to re-election of a director.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of **OXPAY FINANCIAL LIMITED** (the “**Company**”) will be held by electronic means on Tuesday, 26 April 2022 at 10.00 a.m. to transact the business set out below.

This Notice has been made available on SGXNet and the Company’s website and may be accessed at the URL <http://oxpayfinancial.com/investor>. A printed copy of this Notice will NOT be despatched to the shareholders.

AS ORDINARY BUSINESS

Resolution 1

1. To receive and adopt the audited financial statements for the financial year ended 31 December 2021, together with the Directors’ Statement and Independent Auditors’ Report.

Resolution 2

2. To re-elect Mr Tan Chee Keong who is retiring by rotation pursuant to Regulation 111 of the Company’s Constitution (the “**Constitution**”) and who, being eligible, offers himself for re-election as a Director.

[see Explanatory Note (i)]

Resolution 3

3. To re-elect Mr Chee Kheng Hock, Rothschild who is retiring by rotation pursuant to Regulation 111 of the Constitution and who, being eligible, offers himself for re-election as a Director.

Mr Chee Kheng Hock, Rothschild will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and the Board considers him to be independent for the purpose of Rule 704(7) of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited.

[see Explanatory Note (i)]

Resolution 4

4. To approve the payment of Directors’ fees of S\$110,000 for the financial year ended 31 December 2021 [FY2020: S\$50,000].

Resolution 5

5. To approve the payment of Directors’ fees of up to S\$240,000 for the financial year ending 31 December 2022, to be paid quarterly in arrears [FY2021: S\$110,000].

Resolution 6

6. To re-appoint KPMG LLP as the Independent Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.
7. To transact any other ordinary business that may be properly transacted at an annual general meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

Resolution 7

8. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:–

"Authority to allot and issue shares"

That pursuant to Section 161 of the Companies Act 1967 and the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to:–

- (A) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (B) (notwithstanding that this authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this authority was in force,

provided that:–

- (1) the aggregate number of Shares to be issued pursuant to this authority (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) ("**Issued Shares**"), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to the existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed fifty per cent (50%) of the total number of Issued Shares;
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of Issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this authority is given, after adjusting for:–
- (i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and outstanding or subsisting at the time this authority is given, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

NOTICE OF ANNUAL GENERAL MEETING

- (ii) any subsequent bonus issue, consolidation or sub-division of Shares;
- (3) in exercising the authority conferred by this Resolution, the Directors shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) this authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.”
[see Explanatory Note (ii)]

Resolution 8

9. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:–

“OxPay Performance Share Plan

That pursuant to Section 161 of the Companies Act 1967, the Directors of the Company be authorised and empowered to:

- (a) offer and grant share awards in accordance with the rules of the OxPay Performance Share Plan (the “**Share Plan**”); and
- (b) allot and issue such number of fully-paid new shares and/or transfer such number of existing shares held in treasury, free of charge, as may be required to be delivered from time to time pursuant to the vesting of share awards granted by the Company under the Share Plan, whether granted during the subsistence of this authority or otherwise,

provided that the total number of shares over which new share awards may be granted on any date, when added to:

- (i) the total number of shares delivered and/or to be delivered pursuant to share awards already granted under the Share Plan; and
- (ii) the total number of shares delivered and/or to be delivered under any other share-based incentive schemes of the Company,

shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) on the day preceding that date, and that such authority shall unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.”

[see Explanatory Note (iii)]

NOTICE OF ANNUAL GENERAL MEETING

Resolution 9

10. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:–

“OxPay Employee Share Option Scheme

That pursuant to Section 161 of the Companies Act 1967, the Directors of the Company be authorised and empowered to:

- (a) offer and grant options in accordance with the rules of the OxPay Employee Share Option Scheme (the “**Scheme**”); and
- (b) allot and issue and/or transfer from time to time such number of shares in the capital of the Company as may be required to be delivered pursuant to the exercise of options under the Scheme,

provided that the total number of shares over which new options may be granted on any date, when added to:

- (i) the total number of shares delivered and/or to be delivered pursuant to options already granted under the Scheme; and
- (ii) the total number of shares delivered and/or to be delivered under any other share-based incentive schemes of the Company,

shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) on the day preceding that date, and that such authority shall unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.”

[see Explanatory Note (iv)]

BY ORDER OF THE BOARD

Vincent Lim and Wee Mae Ann
Company Secretaries
Singapore
8 April 2022

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Detailed information on the Directors who are proposed to be re-elected can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-Election" in the Company's Annual Report 2021.
- (ii) Under the Catalyst Rules, a share issue mandate approved by shareholders as an ordinary resolution will enable directors of an issuer to issue new shares and convertible securities of an aggregate number of up to 100% of the total number of issued shares of the issuer (excluding treasury shares and subsidiary holdings) as at the time of passing of the resolution approving the share issue mandate, of which the aggregate number of new shares and convertibles securities issued other than on a *pro-rata* basis to existing shareholders must be not more than 50% of the total number of issued shares of the issuer (excluding treasury shares and subsidiary holdings).

Ordinary Resolution 7, if passed, will empower the Directors from the date of the above AGM until the date of the next annual general meeting, to allot and issue Shares and/or Instruments. The aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may allot and issue under this Resolution, shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). For issues of Shares and convertible securities other than on a *pro-rata* basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). This authority will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue Shares pursuant to any convertible securities issued under this authority.

- (iii) Resolution 8, if passed, will authorise and empower the Directors of the Company, from the date of the above AGM until the date of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, or such authority is revoked or varied by the Company in a general meeting, whichever is the earliest, to issue shares pursuant to the vesting of share awards granted or to be granted under the Share Plan up to a number not exceeding in total (for the entire duration of the Share Plan) fifteen per cent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time.
- (iv) Resolution 9, if passed, will authorise and empower the Directors of the Company, from the date of the above AGM until the date of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, or such authority is revoked or varied by the Company in a general meeting, whichever is the earliest, to issue shares pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in total (for the entire duration of the Scheme) fifteen per cent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time.

NOTES:–

General

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meeting for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Annual Report 2021 will not be sent to members but will be published on the SGX website at www.sgx.com and on the Company's website at <http://oxpayfinancial.com/investor>.
2. Alternative arrangements relating to participation in the AGM proceedings via electronic means, submission of questions in advance of the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out below.

Participation in the AGM proceedings

3. Members who wish to observe and/or listen to the AGM proceedings must pre-register at <http://OXPAY-AGM-2022.availeasemgdwebinar.com> by **10.00 a.m. on 23 April 2022** to enable the Company to verify their status. Pre-registrations received after the deadline will not be processed.
4. Following the verification, authenticated members will receive an email by 10.00 a.m. on 25 April 2022. The email will contain instructions on how to access the live audio-visual webcast and the live audio-only stream of the AGM proceedings. Members who have pre-registered by the deadline on 23 April 2022, but do not receive an email by 10.00 a.m. on 25 April 2022, should contact the Company via email at shareregistry@incorp.asia and provide their full name and identification/registration number.

NOTICE OF ANNUAL GENERAL MEETING

5. Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967) (other than those who hold shares under the Supplementary Retirement Scheme) and who wish to observe and/or listen to the AGM proceedings or submit questions in advance of the AGM, should contact their respective relevant intermediaries as soon as possible in order to make the necessary arrangements for them to do so.

Submission of questions in advance

6. Members will not be able to ask questions during the AGM proceedings. Members can submit questions relating to the resolutions to be tabled for approval at the AGM, so that they are received no later than **10.00 a.m. on 16 April 2022**, in the following manner:
- (a) via the pre-registration website at <http://OXPAY-AGM-2022.availeasemgdwebinar.com>;
 - (b) by post to the registered office of the Company at 10 Ubi Crescent, #03-48 Ubi Techpark, Singapore 408564; or
 - (c) by electronic mail to the Company at shareregistry@incorp.asia.

If the questions are submitted by post or electronic mail, the member's full name and identification/registration number must be included for verification purposes, failing which the submission will be treated as invalid.

7. The Company will address substantial and relevant questions received by the aforesaid cut-off time relating to the resolutions to be tabled for approval at the AGM by 10.00 a.m. on 21 April 2022. The Company will publish the responses to the questions on SGXNet and the Company's website. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

Voting by proxy

8. Members (whether individual or corporate) who wish to exercise their voting rights at the AGM must appoint the Chairman of the Meeting as their proxy to vote on their behalf at the AGM. The proxy form for the AGM is available on the SGX website at www.sgx.com and on the Company's website at <http://oxpayfinancial.com/investor>.
9. Where members appoint the Chairman of the Meeting as their proxy, they must give specific instructions as to voting, or abstentions from voting, in respect of each resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
10. Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967) (including those who hold shares under the Supplementary Retirement Scheme) and who wish to appoint the Chairman of the Meeting as proxy to vote must approach their respective relevant intermediaries (including SRS Operators) to submit their voting instructions at least seven working days before the AGM to enable their respective relevant intermediaries to submit proxy forms on their behalf so that they are received no later than **10.00 a.m. on 23 April 2022**.
11. The Chairman of the Meeting, as proxy, need not be a member of the Company.
12. A member who wishes to submit an instrument of proxy appointing the Chairman of the Meeting as proxy must complete and sign the proxy form, before submitting it:
- (a) by post to the office of the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
 - (b) by electronic mail to shareregistry@incorp.asia,

in either case, to be received not later than **10.00 a.m. on 23 April 2022**, failing which the proxy form will be treated as invalid.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

Sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as name, presence at the AGM and any questions raised or motions proposed/seconded) may be recorded by the Company for such purposes.

This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896, telephone (65) 6636 4201.

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OXPAY FINANCIAL LIMITED ANNUAL GENERAL MEETING PROXY FORM

(Company Registration No. 200407031R)
(Incorporated in the Republic of Singapore)

IMPORTANT

1. The Annual General Meeting ("AGM" or the "Meeting") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meeting for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Annual Report 2021 will not be sent to members but will be published on the SGX website at www.sgx.com and on the Company's website at <http://oxpayfinancial.com/investor>.
2. Due to the current COVID-19 situation, a member will not be allowed to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
3. Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967) (including those who hold shares under the Supplementary Retirement Scheme) and who wish to appoint the Chairman of the Meeting as proxy to vote must approach their respective relevant intermediaries (including SRS Operators) to submit their voting instructions at least seven working days before the AGM, to enable their respective relevant intermediaries to submit proxy forms on their behalf so that they are received no later than **10.00 a.m. on 23 April 2022**.

I/We _____ (Name) _____ (NRIC/Passport/Registration Number)

of _____ (Address)

being a member/members of **OXPAY FINANCIAL LIMITED** (the "**Company**") hereby appoint the Chairman of the Annual General Meeting ("**AGM**"), as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, at the AGM of the Company to be held by electronic means on Tuesday, 26 April 2022 at 10.00 a.m. and at any adjournment thereof as indicated hereunder.

No.	Resolution relating to:-	For	Against	Abstain
Ordinary Business				
1.	Adoption of the audited financial statements of the Company for the financial year ended 31 December 2021			
2.	Re-election of Mr Tan Chee Keong as Director			
3.	Re-election of Mr Chee Kheng Hock, Rothschild as Director			
4.	Payment of Directors' fees of S\$110,000 for financial year ended 31 December 2021			
5.	Payment of Directors' fees of up to S\$240,000 for financial year ending 31 December 2022			
6.	Re-appointment of KPMG LLP as Independent Auditors of the Company			
Special Business				
7.	Authority to allot and issue shares			
8.	Authority to allot and issue shares under OxPay Performance Share Plan			
9.	Authority to allot and issue shares under OxPay Employee Share Option Scheme			

(Please indicate with a cross [X] in the space provided whether you wish your vote to be cast for or against or to abstain in respect of the resolution as set out in the Notice of the AGM. Alternatively, if you wish to exercise your votes for and/or against the resolution and/or to abstain, please indicate the number of shares in the respective spaces provided.)

Dated this _____ day of _____ 2022

Shares in:	No. of Shares
(a) Depository Register	
(b) Register of Members	

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:–

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.
2. Due to the current COVID-19 situation, a member will not be allowed to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.

Where a member appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of each resolution in this proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967) (including those who hold shares under the Supplementary Retirement Scheme) and who wish to appoint the Chairman of the Meeting as proxy to vote must approach their respective relevant intermediaries (including SRS Operators) to submit their voting instructions at least seven working days before the AGM, to enable their respective relevant intermediaries to submit proxy forms on their behalf so that they are received no later than **10.00 a.m. on 23 April 2022**.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. A member who wishes to submit an instrument of proxy appointing the Chairman of the Meeting as proxy must complete and sign this proxy form, before submitting it:
 - (a) by post to the office of the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
 - (b) by electronic mail to shareregistry@incorp.asia,

in either case, to be received not later than **10.00 a.m. on 23 April 2022**.

5. This proxy form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form shall be treated as invalid.
6. The Company shall be entitled to reject a proxy form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
7. By submitting this proxy form, a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 8 April 2022.

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OxPay Financial Limited

(Company Registration No. 200407031R)
(Incorporated in the Republic of Singapore)

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