



**OXPAY FINANCIAL LIMITED**  
(Company Registration Number: 200407031R)

**For Immediate Release**

## **OxPay Reports A Net Profit of S\$1.7 Million for 1H2022**

- **The Group remains well-positioned to benefit from the digitalisation movement in Southeast Asia and rising digital consumption**

**SINGAPORE, August 10, 2022 – OxPay Financial Limited (SGX: TVV) (“OxPay” or the “Company”, and together with its subsidiaries, the “Group”)** is pleased to announce its unaudited financial results for the first half of the year ended 30 June 2022 (“**1H2022**”, and the previous corresponding first half of the year ended 30 June 2021, “**1H2021**”). The Group recorded a net profit of S\$1.7 million in 1H2022, recovering from a net loss of S\$29.4 million just a year ago due to the absence of one-time RTO expenses of S\$29.8 million<sup>1</sup>.

### **Financial Highlights**

<b>S\$ (million)</b>	<b>1H2022</b>	<b>1H2021</b>	<b>YoY Change</b>
<b>Revenue</b>	6.0	6.7	-11%
<b>Gross Profit</b>	1.7	2.8	-39%
<b>Gross Profit Margin</b>	28%	41%	
<b>Net Profit</b>	1.7	-29.4	N.M.

*\*Figures may differ as it is rounded up to 1dp.*

OxPay observed an 11% decrease in revenue to S\$6.0 million for 1H2022 from the previous year due to a decline in sales in both its merchant payment services (“**MPS**”) and digital commerce-enabling solutions (“**DCES**”) business segments.

Gross profit decreased by 39% to S\$1.7 million as revenue decreased and costs of sales increased by 9% to S\$4.3 million. Administrative expenses decreased by 49% to S\$2.8 million

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<sup>1</sup> Included deemed RTO listing expenses of S\$26.4 million related to the difference between fair value of net liabilities assumed by the Group and fair value of consideration transferred and RTO listing expenses recorded in administrative expenses



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on the back of an absence of one-time RTO listing expenses of S\$3.4 million. This was partially offset by an increase in employee compensation, professional services fees, and other administrative expenses.

The Group recorded a reversal of impairment loss on trade and other receivables amounting to S\$2.4 million, mainly due to a reversal of impairment loss of S\$2.3 million after an agreement was reached with a creditor to assign its debt against a related debtor. The outstanding amount has been fully impaired in the previous financial year ended 31 December 2021.

As a result, the Group achieved a net profit of S\$1.7 million in 1H2022, bouncing back from a net loss of S\$29.4 million in 1H2021.

The Group's balance sheet remains healthy with strong cash and cash equivalents of S\$24.8 million<sup>#</sup> and a net cash position of S\$24.7 million<sup>#</sup> as of 30 June 2022.

S\$ (million)	30 Jun 2022	31 Dec 2021
Cash and cash equivalents <sup>#</sup>	24.8	26.4
Loans and borrowings	0.1	0.7
<b>Net Cash Position</b>	<b>24.7</b>	<b>25.7</b>
S\$ (million)	1H2022	1H2021
Net cash (used in) / generated from operating activities	(1.5)	6.7
Net cash (used in) / generated from investing activities	**	1.2
Net cash (used in) / generated from financing activities	(0.1)	1.5
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<b>(1.6)</b>	<b>9.4</b>

*\*Figures may differ as it is rounded up to 1dp.*

*\*\*Amount less than S\$0.1 million.*



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#As at 30 June 2022, included in the cash and cash equivalents is an amount of S\$17.0 million (31 December 2021: S\$21.4 million) which has been earmarked for settlement of merchant funding.

**Segmental Performance**

1H2022 revenue decreased by 11% as revenue declined in both MPS and DCES business segments.

S\$ (million)	1H2022	1H2021	YoY Change
Merchant Payment Service (MPS)	3.4	3.9	-14%
Digital Commerce Enabling Solutions (DCES)	2.6	2.8	-7%
<b>Total Revenue</b>	<b>6.0</b>	<b>6.7</b>	<b>-11%</b>

**Business Outlook**

With the COVID-19 situation stabilising in Singapore, the Multi-Ministry Taskforce has announced a further easing of social distancing measures in April 2022<sup>2</sup>. Given the high vaccination and booster rates in Singapore, the Group remains cautiously optimistic about Singapore's retail sector. According to the Department of Statistics Singapore, total retail sales increased 14.8% year-on-year in June 2022, extending the 17.8% rise in May 2022<sup>3</sup>.

The COVID-19 pandemic has accelerated the digitalisation of payments, with two-thirds of adults worldwide now making or receiving a digital payment<sup>4</sup>. The Directors believe that OxPay is in a strong position to capitalise on the following key trends:

- i) Global non-cash transactions are poised to grow by 18.6% CAGR between 2020 and 2025, reaching 1.8 trillion in volume at the end of the forecast period<sup>5</sup>. The burgeoning e-commerce segment, mobile payments and rising adoption of digital wallets are responsible for the rapid development in this sector. Asia Pacific is on track to represent more than half of the global non-cash transactions by 2025, leading the rest of the world with a 28% CAGR from 2020 to 2025.

<sup>2</sup> <https://www.gov.sg/article/further-easing-of-community-measures>

<sup>3</sup> <https://www.singstat.gov.sg/-/media/files/news/mrsjun2022.ashx>

<sup>4</sup> <https://www.worldbank.org/en/news/press-release/2022/06/29/covid-19-drives-global-surge-in-use-of-digital-payments>

<sup>5</sup> <https://www.paymentcardsandmobile.com/world-payment-report-non-cash-transaction-growth-hit-hard-by-covid/>



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- ii) Growth in ASEAN gross transaction value of digital payments is expected to hit US\$1.17 trillion by 2025, from US\$0.71 trillion in 2021. The key driver of the trend can be attributed to changing customer expectations, whereby customers are increasingly expecting convenience, timeliness and control of payment options on an integrated platform<sup>6</sup>.
  
- iii) Digital cross-border remittances are projected to grow from US\$295 billion in 2021 to US\$428 billion in 2025<sup>7</sup>, with digital transaction values returning to pre-pandemic levels by 2022. The uplift in digital remittance use driven by the pandemic will be sustained through permanent changes to user behaviour. The active user base for digital remittances is expected to increase by 66%, reaching 95 million users by 2025.

Commenting on the Group's results, Mr. Henry Tan, Managing Director of OxPay, said, ***“We believe that we are well-positioned to ride on these favourable trends and benefit from the growth of digitalisation in Southeast Asia given our geographical exposure. Meanwhile, we will continue to focus on expanding our customer base, enhancing product offerings and expanding our geographical reach through partnerships and acquisitions.”***

Currently, the Group is focused on optimising its customer touchpoints across Singapore. By enlisting the help of a point of sales system provider, OxPay seeks to accelerate the rate at which some of its clients' payment gateway providers convert to OxPay. Meanwhile, the Group has continued to attract several high-profile clients. In the next couple of weeks, the Group expects to have successfully launched its digital payment processing service across all 99 Q&M Dental's clinics in Singapore as well as in a handful of bubble tea retail outlets.

**#End#**

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<sup>6</sup> <https://www.businesstimes.com.sg/global-enterprise/features/embrace-digital-payments-now-to-profit-from-tomorrow's-seamless-ecosystem>

<sup>7</sup> <https://www.juniperresearch.com/press/digital-cross-border-remittances-reach-428-bn>



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**About OxPay**

OxPay is principally engaged in the provision of merchant payment services and digital commerce enabling services, offering online-to-offline (O2O) solutions through a fully integrated platform with a focus on servicing merchants in the retail, transportation and food and beverage industries. Its end-to-end payment platform offers comprehensive solutions for merchants, ranging from hardware and software to data analytics and other technology-driven value-added services tailored to specific industries. Its solutions cater to merchants with both on-line and off-line presences, provided through a unified platform for digitalising engagement across all channels. OxPay currently has a presence in four geographical markets - Singapore, Malaysia, Indonesia and Thailand - with ambitions to become a regional player in the global payment space.

For more information, please visit us at <http://oxpayfinancial.com/>

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*This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.*

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