

PAYMENT PROCESSING SOLUTIONS

2022 ANNUAL REPORT

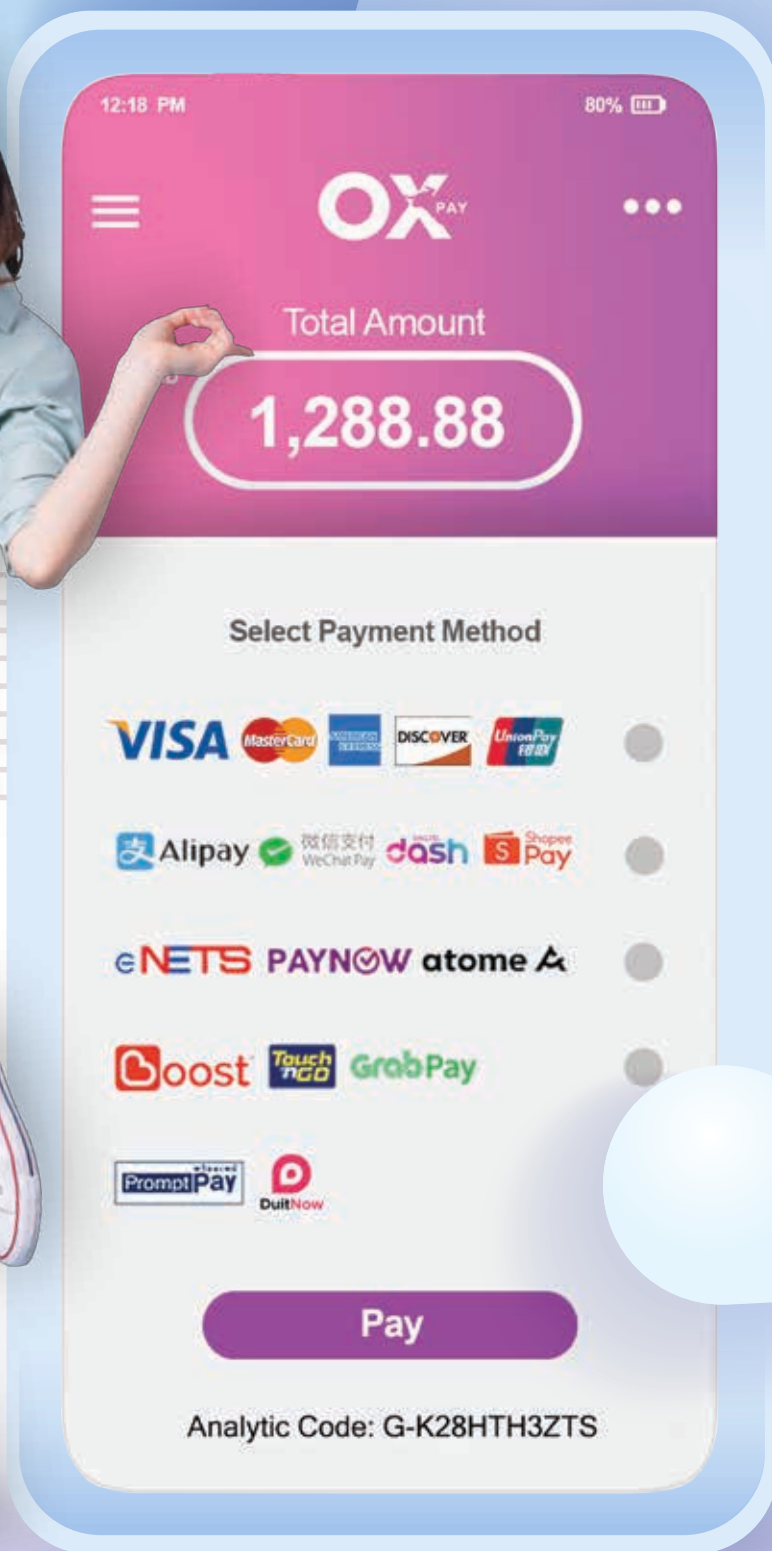
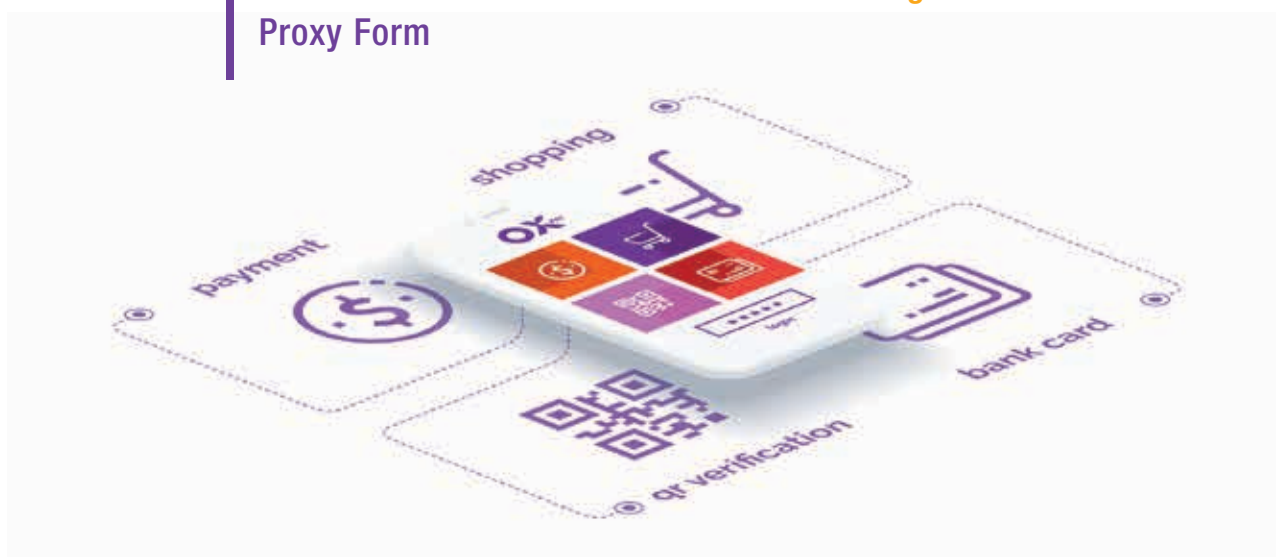


TABLE OF CONTENTS

01	Corporate Profile
02	Message to Shareholders
03	Review of Operations
05	Profile of Directors
08	Key Management
10	Financial Highlights
11	Group Structure
12	Corporate Information
13	Financial Contents
14	Corporate Governance Report
39	Directors' Statement
43	Independent Auditors' Report
47	Statements of Financial Position
48	Consolidated Statement of Comprehensive Income
49	Consolidated Statement of Changes in Equity
53	Consolidated Statement of Cash Flows
55	Notes to the Financial Statements
116	Statistics of Shareholdings
118	Notice of Annual General Meeting
125	Additional Information on Directors Seeking Re-Election Proxy Form

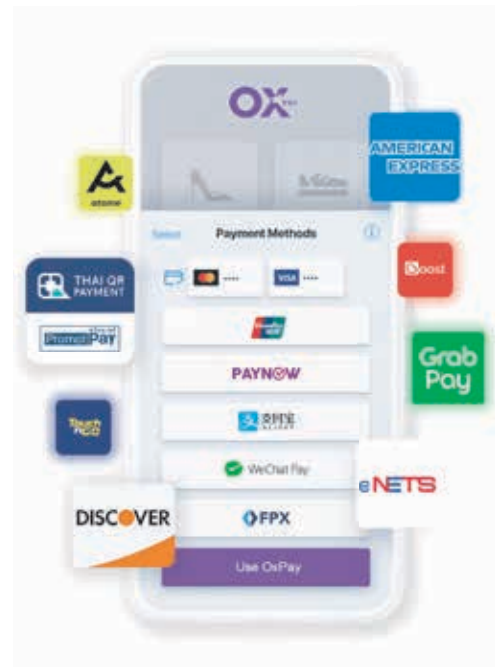


This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst. This 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 Goh Mei Xian, Director, 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**”) 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 operational 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 industries.

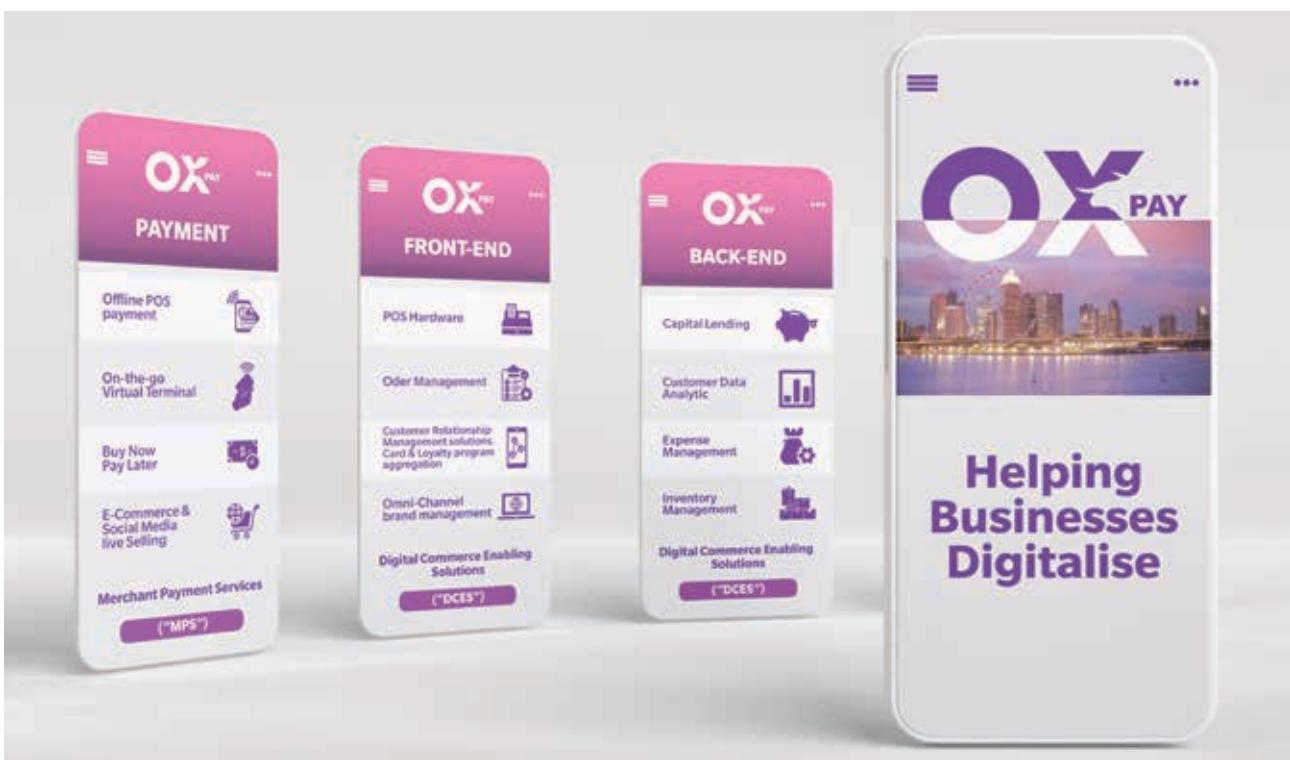


A. MERCHANT PAYMENT SERVICES (“MPS”)

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.

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, and tokenisation/detokenization services..



MESSAGE TO SHAREHOLDERS



DEAR SHAREHOLDERS,

On behalf of the Board of Directors of OxPay Financial Limited (“**OxPay**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), we present to you the Annual Report of the Group for the financial year ended 31 December 2022 (“**FY2022**”).

In FY2022, the Group encountered challenges resulting in an overall net loss of \$0.4 million. The loss was primarily attributable to the departure of a key merchant and a reduction in sales contribution from some high-margin merchants.

However, despite the difficulties, the Group’s balance sheet remains robust, with a net cash position of \$22.1* million as of 31 December 2022.

To strengthen the management team, the Board appointed Mr. Koh Jin Kit, a financial technology payment veteran, as the Group’s Managing Director in February 2023. Mr. Koh joined us with more than 20 years of payment leadership experience. He has led and turned around financial technology pioneer companies such as Globalpayments Asia-Pacific’s business in Taiwan and Merchant Solutions Private Limited (now renamed First Data Merchant Solutions Private Limited) when it was a joint venture

between First Data and Standard Chartered Bank.

In October 2022, OxPay achieved a significant milestone by entering into a landmark deal with Atome, Asia’s leading buy now pay later platform, to make flexible payment plans an option for thousands of merchants. Also in October 2022, the Monetary Authority of Singapore granted OxPay in-principle approval to offer E-money and Account Issuance services under its Major Payment Institution License.

The new management team intends to leverage the Company’s assets, partnerships, and client portfolio to expand and propel business growth. Barring any unforeseeable circumstances, we anticipate a more positive financial performance for the current financial year ending 31 December 2023 under the new management lead.

CHING CHIAT KWONG

Non-Executive Non-Independent Chairman

KOH JIN KIT

Managing Director

* As at 31 December 2022, included in the cash and cash equivalents is an amount of \$17.9 million which has been earmarked for settlement of merchant funding.

REVIEW OF OPERATIONS

STATEMENT OF COMPREHENSIVE INCOME

Revenue in FY2022 decreased by 43% to \$9.9 million from \$17.5 million in FY2021. The decrease in revenue was attributed to the loss of a key merchant in Singapore. The key merchant contributed significantly to the Group's merchant payment service (MPS) business segments.

Revenue from the Group's Thailand operations increased by \$1.1 million in FY2022 from FY2021. This increase in revenue partially offset the decrease in revenue from its Singapore and Malaysia operations of \$8.3 million and \$0.4 million, respectively. Despite an improvement in processed volume in the Group's Malaysia operations, unfavourable MYR/SGD exchange rates resulted in a decrease in revenue from this market.

The Group's gross profit margin contracted to 26% in FY2022 from 58% in FY2021. Overall gross profit fell to \$2.6 million in FY2022 from \$10.3 million in FY2021. This was due to the decrease in revenue from high margin merchants.

Other income increased by 51% to \$0.6 million in FY2022 from \$0.4 million in FY2021. The increase in FY2022 was mainly due to increased government grants and sundry income. This amount was partially offset by the absence of a one-off gain from early redemption of convertible bonds recognised in FY2021.

Administrative expenses decreased by \$2.8 million to \$5.5 million in FY2022, from \$8.3 million in FY2021. The decrease in administrative expenses was mainly due to the absence of the one-time RTO listing expenses of \$3.4 million, partially offset by the increase in employee compensation and professional services fees.

The reversal of impairment loss on trade and other receivables of \$2.3 million in FY2022 was mainly due to an agreement with the debtor of impaired receivables recorded in FY2021 to assign the debt to a related party of the debtor.



REVIEW OF OPERATIONS

Other operating expenses decreased to \$0.3 million in FY2022 from \$0.6 million in FY2021. This was mainly due to the decrease in amortisation of intangible assets of \$0.2 million in FY2022 and the absence of impairment loss on intangible assets.

The result is a net loss of \$0.4 million in FY2022 as compared to a net loss of \$27.4 million in FY2021

STATEMENT OF FINANCIAL POSITION

Non-current assets

There was no major movement in the Group's non-current assets as at 31 December 2022 as compared to 31 December 2021. The slight decrease was mainly due to depreciation of plant and equipment, and amortisation and impairment of intangible assets charged in FY2022.

Current Assets

Current assets comprised cash and cash equivalents, and trade and other receivables. Current assets decreased from \$30.0 million as at 31 December 2021 to \$25.6 million as at 31 December 2022, mainly due to the decrease in cash and cash equivalents of \$4.3 million. The decrease in cash and cash equivalents was attributable to the cash being used in operating activities.

Current liabilities

Current liabilities comprised mainly trade and other payables and loans and borrowings. Current liabilities decreased by \$4.5 million, from \$25.1 million as at 31 December 2021 to \$20.6 million as at 31 December 2022.

Trade and other payables decreased by \$3.8 million, from \$24.4 million as at 31 December 2021 to \$20.6 million as at 31 December 2022. This was due to the settlement of merchant payables.

Loans and borrowings decreased to approximately \$0.03 million as at 31 December 2022 from \$0.7 million as at 31 December 2021. This was attributable to the repayment of loan to a controlling shareholder, which was fully repaid in the first half of FY2022.

STATEMENT OF CASH FLOWS

The Group's cash and cash equivalents decreased by \$4.3 million, from \$26.4 million as at 31 December 2021 to \$22.1 million as at 31 December 2022. The decrease in cash and cash equivalents in FY2022 was due mainly to:

- i. Cash used in operating activities of \$3.9 million, attributed to operating cash outflows before working capital changes of \$2.5 million and the decrease in trade and other payables of \$1.4 million;
- ii. Cash used in investing activities of \$0.2 million, attributed to the purchase of plant and equipment and intangible assets; and
- iii. Cash used in financing activities of \$0.2 million. This was due to the repayment of loan to a controlling shareholder of \$0.6 million and the repayment of lease liabilities of \$0.1 million, partially offset by the net proceeds from issuance of new shares of \$0.5 million.

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 board of Pindan Group Pty. Ltd.. 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.

PROFILE OF DIRECTORS



KOH JIN KIT

Managing Director

Mr Koh Jin Kit (“Mr Koh”) has rich experiences in managing high profile payment companies and leading such companies’ turnaround in profitability, service level, and business development. In the past 20 years, he served in various roles including as CEO for Merchant Solutions (then a joint venture by Standard Chartered bank and First Data), General Manager for Globalpayments Asia-pacific Taiwan Branch (then a joint venture by HSBC and Globalpayments), Director for Payvision Singapore/Hong Kong/Macau, Regional Marketing Director at Verifone for Asia Pacific, Director for Chip for Greater China and Philippines region at Visa, Senior Vice President for Operations and Services at NTUC Link, and Management Consultant at Red Dot Payment.

On an honorary basis, Mr Koh is serving as President of Serangoon Gardens Country Club.

He graduated with an Executive Master of Science in Industrial and Organizational Psychology and Human Resources Management from City University of New York, and a Bachelor of Computer Science (Honors) from University of Manitoba, Canada.



CHIN CHEN KEONG, JOHN

Non-Executive Independent Director

Mr John Chin (“Mr Chin”) is currently the Managing Director of Heurisko Pte. Ltd. and was a consultant to Ernst & Young Global (“EY”), as the Asia-Pacific Leader for the deployment of EY’s global SAP solution across 22 countries in APAC. Prior to this role, he was a Partner of Ernst & Young LLP and Ernst & Young Solutions LLP and a Director of Ernst & Young Advisory Pte. Ltd. before he retired in 2020.

Mr Chin has over 35 years of experience in leading and managing technology risk assessments, audits and consulting. He was the Head of Risk Advisory in EY where he oversaw the risk consulting practice in Singapore and ASEAN.

Mr Chin is a Fellow Member of the Institute of Singapore Chartered Accountants and a Fellow of CPA Australia. He holds a Bachelor of Accountancy degree from the National University of Singapore and is a Certified Information Systems Auditor of ISACA.



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.



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.

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.



KESAVAN NAIR

Lead Independent Director

KEY MANAGEMENT



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.



KEN CHEW

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 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.



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

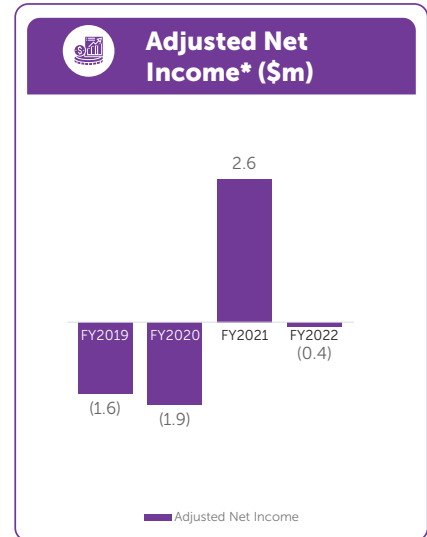
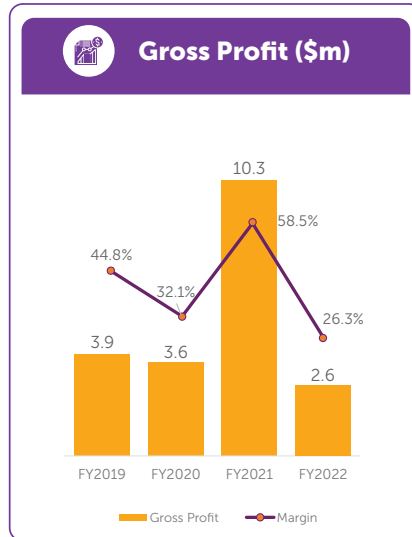
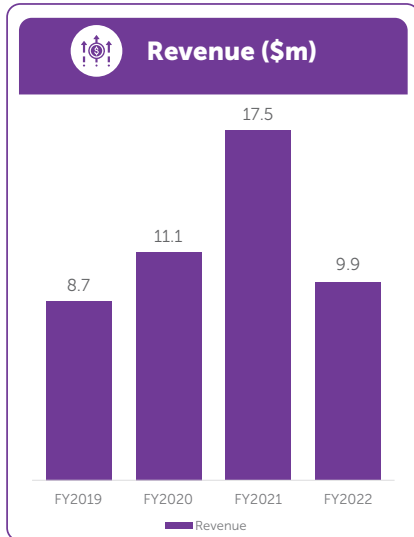
Country Director, Thailand

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.

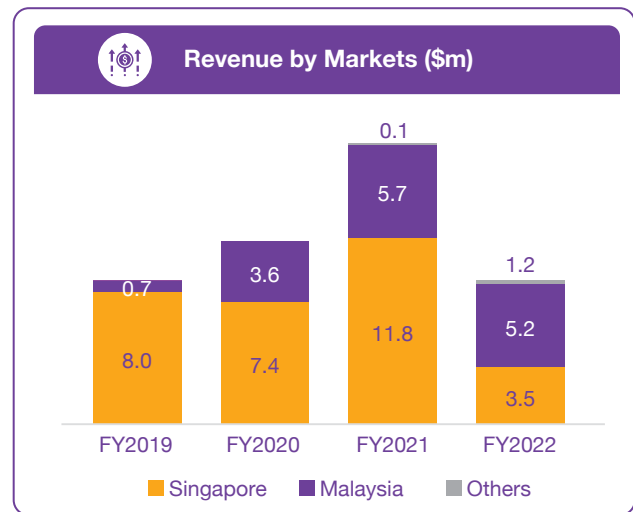
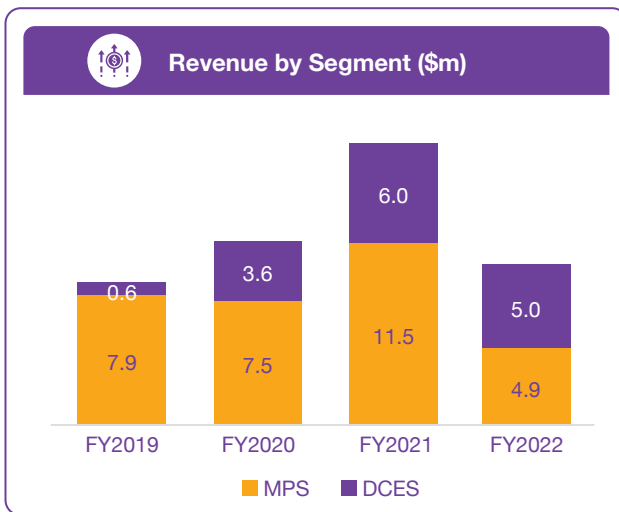
With over 15 years of experience in the payment industry, he specialises in online-to-offline payment businesses, processing and infrastructure from a traditional EFTPOS and ecommerce to the next generation payment. He also has extensive experience in the telecommunications and geographic information 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.

FINANCIAL HIGHLIGHTS



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

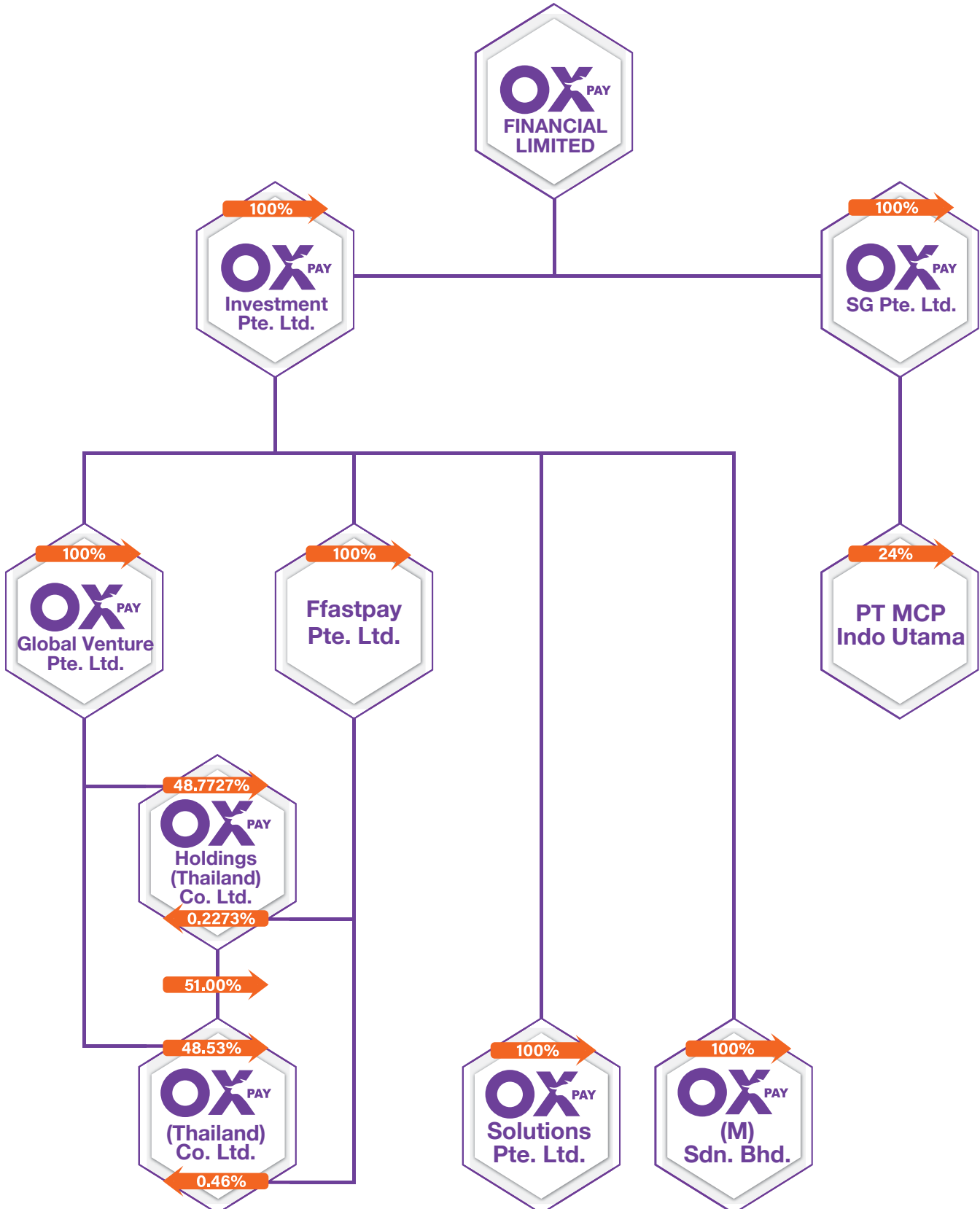


Consolidated Statements of Financial Position

	As at 31 Dec 2022 \$m	As at 31 Dec 2021 \$m
Non-Current Assets	0.5	0.5
Current Assets	25.6	30.0
Total Assets	26.1	30.5
Non-Current Liabilities	-	-
Current Liabilities	20.6	25.0
Total Liabilities	20.6	25.0
Equity Attributed to Owners of the Company	5.8	5.9
Non-Controlling Interests	(0.3)	(0.5)
Total Equity	5.5	5.4

GROUP STRUCTURE

As at 31 December 2022



CORPORATE INFORMATION

BOARD OF DIRECTORS

CHING CHIAT KWONG

Non-Executive Non-Independent Chairman

SHAWN CHING WEI HUNG

Non-Executive Non-Independent Deputy Chairman

KOH JIN KIT

Managing Director

NG WENG SUI HARRY

Non-Executive Non-Independent Director

KESAVAN NAIR

Lead Independent Director

CHIN CHEN KEONG

Non-Executive Independent Director

CHEE KHENG HOCK ROTHSCHILD

Non-Executive Independent Director

COMPANY SECRETARIES

Mr Vincent Lim

Ms Wee Mae Ann

AUDIT COMMITTEE

Mr Chin Chen Keong (*Chairman*)

Mr Ng Weng Sui Harry (*Member*)

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 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

INVESTOR RELATIONS

GEM COMM PTE LTD

EXTERNAL AUDITOR

KPMG LLP

12 Marina View

#15-01 Asia Square Tower 2

Singapore 018961

Partner-in-charge: Mr Ian Hong

(Appointed since financial year ended

31 December 2022)

INTERNAL AUDITOR

Pioneer Associates

4 Shenton Way

#04-01 SGX Centre 1

Singapore 068807

PRINCIPAL BANKERS

Standard Chartered Bank (Singapore) Limited

United Overseas Bank Limited

FINANCIAL CONTENTS

14	Corporate Governance Report
39	Directors' Statement
43	Independent Auditors' Report
47	Statements of Financial Position
48	Consolidated Statement of Comprehensive Income
49	Consolidated Statement of Changes in Equity
53	Consolidated Statement of Cash Flows
55	Notes to the Financial Statements
116	Statistics of Shareholdings
118	Notice of Annual General Meeting
125	Additional Information on Directors Seeking Re-Election Proxy Form



CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 (and last amended on 11 January 2023) (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 2022 (“**FY2022**”), 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 Koh Jin Kit	(Managing Director)
Mr Ng Weng Sui Harry	(Non-Executive Non-Independent Director)
Mr Kesavan Nair	(Lead Independent Director)
Mr Chin Chen Keong	(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 “Profile of Directors” section on pages 5 to 7 of this Annual Report.

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.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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. The Board has put in place a code of conduct and ethics, which sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Group. 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 shareholders of the Company ("**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 Board committees has its own written terms of reference.

The Board committees report their activities regularly to the Board and minutes of the Board committee meetings are also regularly provided to the Board. The Board accepts that while these Board committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board. Please refer to the respective principles in this Report for further information on the composition, terms of reference, description and summary of activities of each Board Committee.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Directors' attendance at Board and Board committee meetings in FY2022

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.

The Company's Constitution (the "**Constitution**") allows Directors to participate in a Board meeting via telephone or video conference. The number of Board and Board committee meetings held in FY2022 and the attendance of Directors during these meetings are as follows:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	4	4	1	1
	No. of meetings attended			
Directors				
Ching Chiat Kwong	3	–	–	–
Shawn Ching Wei Hung	4	–	1	–
Tan Chee Keong ⁽¹⁾	4	–	–	–
Koh Jin Kit ⁽²⁾	0	–	–	–
Ng Weng Sui Harry	4	4	–	1
Kesavan Nair	4	4	1	1
Chin Chen Keong ⁽³⁾	2	2	–	–
Chee Kheng Hock, Rothschild	4	4	1	1

Notes:-

(1) Resigned as Director on 1 February 2023.

(2) Appointed as Director on 1 February 2023.

(3) Appointed as Director on 1 July 2022.

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.

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 Board committees and between the Management and the 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 and 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.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 FY2022, 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, as well as guidelines 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 FY2022, the courses and seminars attended by the Directors include the prescribed sustainability training courses conducted by the relevant training providers as required under the enhanced sustainability reporting rules announced by the SGX-ST in December 2021.

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 seven Directors, of whom three are considered independent by the Board, namely Mr Kesavan Nair, Mr Chin Chen Keong and Mr Chee Kheng Hock, Rothschild. The Board comprises majority Non-Executive Directors, with six members being non-executive, in a seven member Board.

Mr Ching Chiat Kwong is the Board's 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. Accordingly, the Board is of the view that the Company complies with Principle 2 of the Code.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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. The checklist is drawn up based on the guidelines provided in the Code and its accompanying Practice Guidance, as well as the circumstances provided for under Rule 406(3)(d) of the Catalist Rules. The NC adopts the Code's definition of what constitutes an "independent" Director in its review. The NC takes into account, amongst other things, whether a Director has relationships with the Company, its related corporations, 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.

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 and Rule 406(3)(d) of the Catalist Rules, 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

The Board has reviewed the present size of the Board and the Board committees 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 composition of the Board and the Board committees is reviewed annually by the NC to ensure that the Board and the Board committees have the appropriate mix of expertise and experience. The NC is of the view that the current Board and Board committees comprise high caliber individuals with 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.

The Company recognises that diversity in the composition of the Board will provide a broader range of insights and perspectives needed to attain strategic objectives and sustainable development. The Company is committed to ensuring that the Board comprises Directors who, as a group, provide an appropriate balance and mix of skills, industry and business experience, gender, age, ethnicity and culture, and other distinguishing qualities. A diverse Board will mitigate against groupthink and ensure that the Company has the opportunity to benefit from all available talent.

Aside from skill diversity, the NC also reviewed other aspects of diversity such as age and race and was satisfied that the Board and the Board committees comprise Directors who, as a group, provide an appropriate balance and mix of skills, knowledge, talents, experience, and other aspects of diversity.

The Company has in place a Board Diversity Policy that sets out the framework and approach for the Board to set its qualitative and measurable quantitative objectives for achieving diversity, and to periodically assess the progress in achieving these objectives.

The following is the Company's plans and timelines, together with the progress, for achieving better diversity on its Board:

Targets	Progress
Have at least 10% representation of female directors by the end of FY2026	The Company will take this into consideration when identifying suitable candidates.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Role of Independent Directors

All Directors have equal responsibility for the Group's operations. The role of the three 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 FY2022, the Non-Executive Directors (including Independent Directors) had met without the presence of Management. Where necessary, the Non-Executive Directors (including Independent Directors) will communicate to discuss matters related to the Group, including the performance of the Management.

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 of the Board, 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 the 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 Koh Jin Kit, 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.

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 has appointed Mr Kesavan Nair as the Lead Independent Director to ensure that a separate channel of communication is available to Shareholders 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.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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. All members of the NC are Non-Executive Directors, the majority of whom, including the NC Chairman, are independent. The Lead Independent Director is a member of the NC.

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 value of diversity on the Board, the composition and progressive renewal of the Board;
- (b) to make 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, 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;
- (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.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 and its accompanying Practice Guidance, as well as the circumstances provided for under Rule 406(3)(d) of the Catalist Rules. Having made its review, the NC is of the view that Mr Kesavan Nair, Mr Chin Chen Keong and Mr Chee Kheng Hock, Rothschild 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;
- (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

Regulation 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 Regulation 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.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The NC has recommended to the Board that Mr Shawn Ching Wei Hung and Mr Ng Weng Sui Harry be nominated for re-election at the forthcoming annual general meeting under Regulation 111 of the Constitution. The NC has also recommended to the Board that Mr Koh Jin Kit and Mr Chin Chen Keong be nominated for re-election under Regulation 115 of the Constitution. In making the recommendations, the NC had considered the Directors' overall contribution and performance based on the assessment parameters.

Key information regarding Directors

The Directors' shareholdings in the Company is set out on page 39 of this Annual Report.

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

The dates of initial appointment and last re-election of each Director, together with his directorships in other listed companies 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	Oxley Holdings Limited	Aspen (Group) Holdings Limited Median Group Inc. (formerly Clixter Mobile Group Inc.)
Shawn Ching Wei Hung ⁽¹⁾	30 June 2021	Not applicable	Oxley Holdings Limited	None
Koh Jin Kit ⁽²⁾⁽³⁾	1 February 2023	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	Arion Entertainment Singapore Limited HG Metal Manufacturing Limited Medi Lifestyle Limited	Kitchen Culture Holdings Ltd.
Chin Chen Keong ⁽³⁾⁽⁴⁾	1 July 2022	Not applicable	None	None
Chee Kheng Hock, Rothschild	30 June 2021	26 April 2022	None	None

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Notes:-

- (1) Ceased as Director on 28 April 2021 and re-appointed as Director on 30 June 2021. To be re-elected as Director at the forthcoming annual general meeting of the Company under Regulation 111 of the Constitution.
- (2) Appointed as Director on 1 February 2023.
- (3) To be re-elected as Director at the forthcoming annual general meeting of the Company under Regulation 115 of the Constitution.
- (4) Appointed as Director on 1 July 2022.

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 the Board are required to act in good faith, with due diligence and care, and in the best interests of the Company and its Shareholders.

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.

Based on the aforementioned assessments conducted, the NC is of the view that, for FY2022, the performance and effectiveness of the Board as a whole, as well as the contribution by the Chairman and each individual Director to the effectiveness of the Board were satisfactory. 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.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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. All members of the RC are Non-Executive Directors, the majority of whom, including the RC Chairman, are independent.

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 FY2022, no remuneration consultants were engaged.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 packages for the 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.

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 is 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 on 22 January 2021. Please refer to pages 27 to 29 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 Koh Jin Kit, 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 three months' notice in writing, or in lieu of notice, payment of an amount equivalent to three 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.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 at the annual general meeting. Except as disclosed in this Annual Report, the Independent Directors and Non-Executive Directors did not receive any other remuneration from the Company.

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. Accordingly, the Board is of the view that the Company complies with Principle 8 of the Code.

The breakdown of the remuneration of the Directors and key management personnel for FY2022 is set out as below:

Remuneration of Directors for FY2022

Remuneration Band and Name of Director	Base/Fixed Salary	Director's Fees	Bonus	Total
Between \$250,000 and \$500,000 per annum				
Tan Chee Keong ⁽¹⁾	66%	–	34%	100%
Below \$250,000 per annum				
Ching Chiat Kwong	–	100%	–	100%
Shawn Ching Wei Hung ⁽²⁾	–	100%	–	100%
Koh Jin Kit ⁽³⁾	–	–	–	–
Ng Weng Sui Harry	–	100%	–	100%
Kesavan Nair	–	100%	–	100%
Chin Chen Keong ⁽⁴⁾	–	100%	–	100%
Chee Kheng Hock, Rothschild	–	100%	–	100%

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Remuneration of key management personnel for FY2022

Remuneration Band and Name of key management personnel	Base/Fixed Salary	Bonus	Total
Below \$250,000 per annum			
Ng Kok Peng	78%	22%	100%
Ken Chew	100%	–	100%
John Tan Chia Nang	100%	–	100%
Kim Moon Soo	95%	5%	100%
Satis Chuenpibal	100%	–	100%

(1) Resigned as Director on 1 February 2023.

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

(3) Appointed as Director on 1 February 2023.

(4) Appointed as Director on 1 July 2022.

Given the size of the Group's operations, the Company had identified the key management personnel of the Group (who are not Directors or the Managing Director of the Company) 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 FY2022 was \$753,200.

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 or who were the immediate family members of any Director, the Managing Director or a substantial Shareholder, and whose remuneration exceeded \$100,000 in FY2022.

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 on 22 January 2021. Details of the PSP and ESOS are set out in the Company's circular to Shareholders 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.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 instil 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.

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.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

During FY2022, no awards were granted under the PSP. As at the end of FY2022, awards granted under the PSP are as follows:

Name of Participant	Number of shares comprised in awards during FY2022 (including terms)	Aggregate number of shares comprised in awards from commencement of PSP to end of FY2022	Number of shares comprised in awards which have been issued and/or transferred since commencement of PSP to end of FY2022	Number of shares comprised in awards not vested as at end of FY2022
Tan Chee Keong ⁽¹⁾	–	343,137	343,137	–

Note:–

(1) Resigned as Director on 1 February 2023.

As at the end of FY2022, no awards of shares have been granted under the PSP to controlling Shareholders 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.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 FY2022, Pioneer Associates was engaged to conduct reviews of the Group's material internal controls and to test if the controls were properly implemented.

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 FY2022 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 2022.

Audit Committee

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

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

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.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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;
- (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 2022

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 FY2022, 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 FY2022, 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) reviewed the independence, effectiveness and adequacy of the internal audit function;
- (e) recommended to the Board that KPMG LLP be nominated for re-appointment as the Company's external auditors at the forthcoming annual general meeting of the Company;
- (f) 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 risk management systems; and
- (g) reviewed the Group's interested person transactions to ensure that the transactions were carried out on normal commercial terms.

Whistleblowing policy

The Company has put in place a whistleblowing policy which sets out the procedures for a whistleblower 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 Chin Chen Keong, 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 whistleblowing in good faith.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 whistleblower and the report received shall be treated with utmost confidentiality and will be attended to immediately. The whistleblowing policy is posted on a notice board at the Company's premises. The email address for submission of reports is stated in the whistleblowing 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 whistleblowers have a duty to cooperate with investigations.

The AC is responsible for oversight, monitoring and administration of the whistleblowing 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, as well as decides on the remuneration of the internal auditors. In FY2022, 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 reviews the independence, adequacy and effectiveness of the internal audit function on an annual basis and is satisfied that the internal audit function is independent, effective, adequately resourced and has the appropriate standing within the Group in FY2022.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 FY2022 was \$278,000 for audit services and \$7,400 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 2023, 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 FY2022.

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 annual general meeting of the Company to ensure a greater level of Shareholder's participation. The Constitution allows a Shareholder to appoint up to two proxies to attend the annual general meeting of the Company 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.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The forthcoming annual general meeting of the Company to be held on 20 April 2023 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 annual general meeting, together with the annual report for FY2022, will be made available to Shareholders at least 14 days before the scheduled date of the forthcoming annual general meeting of the Company. Shareholders will be given at least 7 calendar days after the date of notice of annual general meeting to submit their questions in advance. 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. Shareholders will also be able to ask questions during the forthcoming annual general meeting of the Company by submitting text-based questions through the live chat function on the webcast platform, which will be addressed by the Company during the forthcoming annual general meeting of the Company. Details on the pre-registration, submission of questions and voting “live” at the forthcoming annual general meeting of the Company by Shareholders are set out in the notice of annual general meeting.

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 annual general meeting of the Company. 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 during the annual general meeting of the Company to assist in addressing queries from Shareholders relating to the conduct of audit and the preparation and content of the auditor’s report. Save for Mr Koh Jin Kit and Mr Chin Chen Keong, who were appointed as a Director after April 2022, all Directors were present at the annual general meeting of the Company held on 26 April 2022.

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 annual general meeting of the Company to be held on 20 April 2023 on SGXNet and the Company’s website at <https://oxpayfinancial.com/> within one month after the annual general meeting of the Company.

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 FY2022 as the Company is in an accumulated loss position.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 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 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 annual general meeting of the Company to answer questions relating to matters overseen by the respective Board 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.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

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, customers, contractors and suppliers, government and regulators, as well as 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.

Sustainability Reporting

In line with the Group's commitment to keep its stakeholders and the market abreast of the Group's progress in its sustainability journey and in adherence with the Catalist Rules, the Company will be publishing its second annual sustainability report for FY2022 on SGXNet and the Company's corporate website by 30 April 2023.

This report, prepared in accordance with the Global Reporting Initiative Standards, highlights the key economic, environmental, social and governance factors that the Company has determined to be material to the Group and its stakeholders (as set out above under Principle 13 of the Code), which include Economic Performance, Anti-Corruption, Fair Employment Practices and Energy Usage, among others. The report also describes the Group's sustainability practices with reference to the primary components set out in Rule 711B of the Catalist Rules on a "comply or explain" basis.

Please refer to the full report, to be published on or before 30 April 2023, for more information on the Group's sustainability performance in FY2022.

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.

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 FY2022, the Group did not enter into any interested person transaction of \$100,000 or 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 FY2022 or if not then subsisting, entered into since the end of the previous financial year.

Non-Sponsor Fees

For FY2022, there were no non-sponsor fees paid or payable to the Company's sponsor, ZICO Capital Pte. Ltd..

Use of IPO proceeds

There are no outstanding proceeds raised from initial public offering or any offerings pursuant to Chapter 8 of the Catalist Rules.

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 2022.

In our opinion:

- (a) the financial statements set out on pages 47 to 115 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 2022 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 of Singapore (the “Act”) and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, having considered the factors presented in Note 2.2 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
 Shawn Ching Wei Hung
 Ching Chiat Kwong
 Chee Kheng Hock, Rothschild
 Chin Chen Keong (Appointed on 1 July 2022)
 Koh Jin Kit (Appointed on 1 February 2023)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of 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	
	At 31.12.2022	At 01.01.2022
OxPay Financial Limited – ordinary shares		
Ng Weng Sui Harry	109,800	109,800
Ching Chiat Kwong	73,663,613	73,663,613
Shawn Ching Wei Hung	140,000	140,000
Tan Chee Keong (Resigned on 1 February 2023)	540,037	–

DIRECTORS' STATEMENT

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.

The directors' interests in the ordinary shares of the Company as at 21 January 2023 were the same as those as at 31 December 2022.

Except as disclosed under the 'Performance share plan and employee share option scheme' section of this statement, 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.

Performance share plan and employee share option scheme

The OxPay Performance Share Plan (the "**OxPay PSP**") and OxPay Employee Share Option Scheme (the "**OxPay ESOS**") (formerly known as "MCP Performance Share Plan" and "MCP Employee Share Option Scheme, respectively) were approved by shareholders at an Extraordinary General Meeting held on 22 January 2021.

The OxPay PSP and OxPay ESOS are administered by the Remuneration Committee.

Other information regarding the OxPay PSP and the OxPay ESOS is set out below:

Oxpay PSP

During the financial year, 343,137 shares were issued pursuant to the vesting of awards granted under the OxPay PSP.

There were no unissued shares under the OxPay PSP in the Company or its subsidiaries as at the end of the financial year.

Oxpay ESOS

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 have been issued by virtue of the exercise of any 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

The aggregate number of shares comprised in awards from the commencement of the OxPay PSP to 31 December 2022 is 343,137 shares. There have been no options granted from the commencement of the OxPay ESOS to 31 December 2022.

Name of Director	Aggregate awards outstanding as at 1.1.22	Aggregate awards granted since commencement to 31.12.22	Aggregate awards released during the financial year under review	Aggregate awards outstanding as at 31.12.22
Tan Chee Keong (Resigned on 1 February 2023)	–	343,147	343,147*	–

* All of the ordinary shares were delivered by way of issuance of new ordinary shares.

In respect of the OxPay PSP:

- Details of the ordinary shares delivered pursuant to awards granted under the OxPay PSP are set out in the notes to the financial statements.
- No awards of shares under the OxPay PSP have been granted to controlling shareholders of the Company or their associates.
- No participant has received in aggregate 15% or more of the total number of issued shares (excluding treasury shares and subsidiary holdings).

Audit Committee

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

Chin Chen Keong	(Independent Director)
Kesavan Nair	(Lead Independent Director)
Chee Kheng Hock, Rothschild	(Independent Director)
Ng Weng Sui Harry	(Non-Executive and Non-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.

DIRECTORS' STATEMENT

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 2022 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.

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

Koh Jin Kit
Director

4 April 2023

INDEPENDENT AUDITORS' REPORT

Members of the Company
Oxpay Financial Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Oxpay Financial 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 2022, 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 47 to 115.

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 2022 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 \$52.9 million as at 31 December 2022.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Oxpay Financial Limited

During the year ended 31 December 2022, the Group generated 43.7% lower revenue and 75.1% lower gross profit as compared to the year ended 31 December 2021 due to reduced higher margin revenue sources.

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; and
- 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 will not express any form of assurance conclusion thereon.

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.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Oxpay Financial Limited

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 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.
- 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.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Oxpay Financial Limited

- 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

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 Ian Hong.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

4 April 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets					
Property, plant and equipment	4	170	192	-	-
Intangible assets and goodwill	5	330	324	-	-
Investment in subsidiaries	6	-	-	5,100	10,600
Investment in associate	7	-	-	-	-
Trade and other receivables	9	16	13	-	-
		516	529	5,100	10,600
Non-current assets					
Cash and cash equivalents	8	22,105	26,449	45	494
Trade and other receivables	9	3,504	3,522	31	27
		25,609	29,971	76	521
Current assets					
Total assets		26,125	30,500	5,176	11,121
Equity					
Share capital	10	55,757	55,218	170,474	169,935
Currency translation reserve	11	101	143	-	-
Capital reserve	11	2,896	2,896	*	*
Other reserves	11	-	-	2,515	2,515
Accumulated losses		(52,924)	(52,370)	(168,607)	(162,557)
Equity attributable to equity holders of the Company		5,830	5,887	4,382	9,893
Non-controlling interests	12	(342)	(453)	-	-
Total equity		5,488	5,434	4,382	9,893
Liabilities					
Loans and borrowings	14	-	24	-	-
Non-current liabilities					
Trade and other payables	13	20,604	24,410	794	669
Loans and borrowings	14	28	632	-	559
Income tax payable		5	-	-	-
		20,637	25,042	794	1,228
Current liabilities					
Total liabilities		20,637	25,066	794	1,228
Total equity and liabilities		26,125	30,500	5,176	11,121

* 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 2022

	Note	Group	
		2022 \$'000	2021 \$'000
Revenue	15	9,871	17,544
Cost of sales		(7,312)	(7,286)
Gross profit		2,559	10,258
Other income	16	641	424
Administrative expenses		(5,483)	(8,349)
Impairment loss on trade and other receivables		(244)	(2,221)
Reversal of impairment loss on trade and other receivables		2,282	–
Other operating expenses		(267)	(594)
Deemed reverse acquisition listing expenses	2.1	–	(26,367)
		(512)	(26,849)
Finance income	17	134	61
Finance costs	17	(49)	(350)
Net finance costs		85	(289)
Share of loss of equity-accounted investees (net of tax)		–	(223)
Loss before tax	18	(427)	(27,361)
Income tax expense	19	(5)	–
Loss for the year		(432)	(27,361)
Loss attributable to:			
Equity holders of the Company		(473)	(27,060)
Non-controlling interests	12	41	(301)
Loss for the year		(432)	(27,361)
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		(54)	181
Total comprehensive loss for the year		(486)	(27,180)
Total comprehensive loss attributable to:			
Equity holders of the Company		(515)	(26,900)
Non-controlling interests		29	(280)
Total comprehensive loss for the year		(486)	(27,180)
Loss per share (expressed in cents per share)			
– Basic	20(a)	(0.17)	(11.51)
– Diluted	20(b)	(0.17)	(11.51)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2022

	Attributable to owners of the Company						Total equity \$'000	
	Share capital \$'000	Currency translation reserve \$'000	Share-based compensation reserve \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total \$'000		Non- controlling interests \$'000
Group								
At 1 January 2021	22,069	(17)	-	2,896	(25,310)	(362)	(173)	(535)
Total comprehensive income 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 incentives 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 2022

		Attributable to owners of the Company						
Note	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 2022	55,218	143	-	2,896	(52,370)	5,887	(453)	5,434
Total comprehensive income for the year								
Loss for the year	-	-	-	-	(473)	(473)	41	(432)
Other comprehensive income								
Foreign currency translation differences	-	(42)	-	-	-	(42)	(12)	(54)
Total other comprehensive income	-	(42)	-	-	-	(42)	(12)	(54)
Total comprehensive loss for the year	-	(42)	-	-	(473)	(515)	29	(486)
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners and changes in ownership interests in subsidiaries								
Issue of ordinary shares for cash	512	-	-	-	-	512	-	512
Share issue expense	(18)	-	-	-	-	(18)	-	(18)
	494	-	-	-	-	494	-	494
10								
Issue of ordinary shares pursuant to vesting of share award	46	-	-	-	-	46	-	46
Share issue expense	(1)	-	-	-	-	(1)	-	(1)
	45	-	-	-	-	45	-	45
10								
Contribution by non-controlling interest	-	-	-	-	-	-	21	21
26								
Acquisition of non-controlling interests	-	-	-	-	(81)	(81)	61	(20)
Total changes in ownership interests in subsidiaries	-	-	-	-	(81)	(81)	82	1
Total transactions with owners	539	-	-	-	(81)	458	82	540
At 31 December 2022	55,757	101	-	2,896	(52,924)	5,830	(342)	5,488

* 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 2022

	Share capital \$'000	Share-based compensation reserve \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total \$'000
Company					
At 1 January 2021	71,777	2,515	*	(85,006)	(10,714)
Total comprehensive income for the year	-	-	-	(77,551)	(77,551)
	71,777	2,515	*	(162,557)	(88,265)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issuance of new shares pursuant to:					
- Placement shares on 28 January 2021	600	-	-	-	600
- 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)
	3,279	-	-	-	3,279
- Share-based payment to employees	234	-	-	-	234
- Share-based payment to sponsor	1,239	-	-	-	1,239
Total transactions with owners	98,158	-	-	-	98,158
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 CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2022

	Share capital \$'000	Share-based compensation reserve \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total \$'000
Company					
At 1 January 2022	169,935	2,515	*	(162,557)	9,893
Total comprehensive loss for the year	-	-	-	(6,050)	(6,050)
	169,935	2,515	*	(168,607)	3,843
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issuance of new shares pursuant to:					
- Placement shares on 4 May 2022	512	-	-	-	512
- Share issue expenses for placement shares on 4 May 2022	(18)	-	-	-	(18)
	494	-	-	-	494
- Issue of ordinary shares pursuant to vesting of share award on 4 May 2022	46	-	-	-	46
- Share issue expenses for share award on 23 September 2022	(1)	-	-	-	(1)
	45	-	-	-	45
Total transactions with owners	539	-	-	-	539
At 31 December 2022	170,474	2,515	*	(168,607)	4,382

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2022

	Note	Group	
		2022 \$'000	2021 \$'000
Cash flows from operating activities			
Loss before tax for the year		(427)	(27,361)
Adjustments for:			
Amortisation of intangible assets	5	113	293
Deemed RTO listing expenses		–	26,367
Depreciation of property, plant and equipment	4	118	107
Gain from early redemption of convertible bond	16	–	(97)
Gain on debt settlement	16	(102)	–
Impairment loss on intangible assets	5	19	193
Impairment loss on trade and other receivables		244	2,221
Reversal of impairment on trade receivables		(2,282)	–
Interest income	17	(134)	(61)
Interest expense	17	17	110
Share of results of associate	7	–	223
Share-based payments – Employees	10	46	234
Share-based payments – Sponsor equity shares	10	–	1,239
Share-based payments – Introducer shares	10	–	2,400
Unrealised foreign exchange (gain)/losses		(80)	271
		(2,468)	6,139
Changes in working capital:			
Trade and other receivables		(91)	1,463
Trade and other payables		(1,409)	12,826
Cash (used in)/generated from operations		(3,968)	20,428
Interest income received		64	61
Interest paid		–	(428)
Net cash (used in)/from operating activities		(3,904)	20,061
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(81)	(78)
Purchase of intangible assets	5	(138)	–
Capital contribution from non-controlling interest of a subsidiary		21	–
Additional investment in associate		–	(223)
Net cash inflow from reverse acquisition	2.1	–	1,467
Net cash (used in)/from investing activities		(198)	1,166

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2022

	Note	Group	
		2022 \$'000	2021 \$'000
Cash flows from financing activities			
Payment of lease liabilities		(88)	(76)
Payment of lease interest		(3)	(5)
Repayment of loans and borrowings		(573)	–
Repayment of convertible bonds		–	(1,366)
Net proceeds from issuance of new shares		494	3,279
Acquisition of non-controlling interests	26	(20)	–
Net cash (used in)/generated from financing activities		(190)	1,832
Net (decrease)/increase in cash and cash equivalents		(4,292)	23,059
Effect of exchange rate fluctuations on cash held		(52)	(89)
Cash and cash equivalents at beginning of financial year		26,449	3,479
Cash and cash equivalents at end of financial year	8	22,105	26,449

* Amount less than \$1,000

Significant non-cash transactions

During the year ended 31 December 2021, the Company issued 64,516,129 ordinary shares for the conversion of convertible bonds and its corresponding interest payable amounting to \$10,166,952 at an issue price of \$0.155 per share.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 3 April 2023.

1 DOMICILE AND ACTIVITIES

Oxpay Financial 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, #03-48 Ubi Techpark, Singapore 408564.

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).

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

2 BASIS OF PREPARATION (CONTINUED)

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

At Group level (Continued)

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 Oxpays 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 2022

2 BASIS OF PREPARATION (CONTINUED)

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

At Group level (Continued)

Identifiable assets acquired and liabilities assumed (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

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.

b. Consolidated statement of financial position of the Group

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.

c. Statement of financial position of the Company

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.

d. Consolidated statement of changes in equity of the Group

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.

e. Consolidated statement of cash flows of the Group

The condensed interim consolidated statement of cash flows for FY2021 are the consolidated cash flows of the 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

2 BASIS OF PREPARATION (CONTINUED)

2.2 Going concern

As at 31 December 2022, the Group has accumulated losses amounting to \$52.9 million and made a loss of \$0.4 million.

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;
- availability of overdraft facility of \$2.4 million as at date of this report; and
- availability of term loan facility of \$1.0 million as at the date of this report.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

2 BASIS OF PREPARATION (CONTINUED)

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 23 – measurement of expected credit loss (“ECL”) allowance for trade receivables and contract assets.

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).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

2 BASIS OF PREPARATION (CONTINUED)

2.7 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2022:

- Amendment to SFRS(I) 16: *COVID-19-Related Rent Concessions beyond 30 June 2021*
- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018-2020

Other than the amendment relating to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The Group has adopted Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract* from 1 January 2022. This resulted in a change in accounting policy for performing an onerous contracts assessment. Previously, the Group included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy is to include both incremental costs and an allocation of other direct costs.

The amendments apply prospectively to contracts existing at the date when the amendments are first applied. The Group has analysed all contracts existing at 1 January 2022 and determined that none of them would be identified as onerous applying the revised accounting policy – i.e. there is no impact on the opening equity balances as at 1 January 2022 as a result of the change.

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 2.7, which addresses changes in accounting policies.

The accounting policies have been applied consistently by Group entities.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 (ii)). 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(i) Business combinations (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(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 2022

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 2022

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 2022

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 2022

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 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (Continued)

(iii) Derecognition (Continued)

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modifications to the additional changes.

(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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (Continued)

(vi) Compound financial instruments (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Property, plant and equipment (Continued)

(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.

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

- | | |
|---|--------------|
| • Computer software and equipment | 3 – 10 years |
| • Office equipment, furniture and fittings and renovation | 3 – 10 years |
| • Payment terminals | 6 years |
| • Motor vehicles | 5 years |
| • Leased office space | 1 – 2 years |

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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 development 5 years

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Intangible assets and goodwill (Continued)

(iv) Amortisation (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

As a lessee (Continued)

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.

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 recognise 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

General approach (Continued)

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 180 days past due.

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

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 180 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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. Domestic withdrawal and transfer services consist of revenue earned when the transaction is processed and revenue is recognised at point in time.

(ii) Sales of services

Sales of services consist of (i) software customisation and development services and (ii) implementation and integration of ready solution (iii) tokenisation/detokenisation services in storing credit card credentials. Software customisation 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.

Tokenisation is a service provided to customers in storing the credit card credentials input in the web conduit and the tokens are returned to the customers, with the web service made available to the customers anytime of the day. Revenue is recognised over time.

(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, (ii) referral fees and (iii) withdrawal services. 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Revenue recognition (Continued)

(iv) Other revenue (Continued)

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.

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 2022

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 allottable 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 2022

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Tax (Continued)

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 Managing Director 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.

3.16 New standards and interpretations not adopted

A number of new standards and amendments to standards are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in Note 28.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

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 office space \$'000	Total \$'000
Cost						
At 1 January 2021	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
Additions	11	1	69	–	19	100
Disposal	–	–	*	–	(20)	(20)
Effect of movements exchange rate	(1)	*	(2)	(2)	(1)	(6)
At 31 December 2022	784	107	979	34	152	2,056
Accumulated depreciation						
At 1 January 2021	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
Depreciation charge	22	2	10	–	84	118
Disposal	–	–	–	–	(20)	(20)
Effect of movements exchange rate	*	*	*	(2)	*	(2)
At 31 December 2022	737	104	885	34	126	1,886
Carrying amounts						
At 1 January 2021	43	1	10	–	13	67
At 31 December 2021	59	4	37	–	92	192
At 31 December 2022	47	3	94	–	26	170

* Amount less than \$1,000.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

5 INTANGIBLE ASSETS AND GOODWILL

	Goodwill \$'000	Patent and trademark \$'000	Software development \$'000	Total \$'000
Cost				
At 1 January 2021	541	104	4,241	4,886
Write off	–	–	(17)	(17)
At 31 December 2021	541	104	4,224	4,869
Addition	–	–	138	138
At 31 December 2022	541	104	4,362	5,007
Accumulated amortisation and impairment losses				
At 1 January 2021	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
Amortisation charge for the year	–	8	105	113
Impairment	–	–	19	19
At 31 December 2022	541	92	4,044	4,677
Carrying amounts				
At 1 January 2021	–	32	795	827
At 31 December 2021	–	20	304	324
At 31 December 2022	–	12	318	330

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

5 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

Impairment test

Software development

The Group has 20 internally developed software solutions and 1 software solution under development as at 31 December 2022 (31 December 2021: 19 internally developed software solutions) that can be used by small business and merchants to facilitate payments using their own mobile devices. 18 of these software were impaired in prior years and an additional software solution was impaired during the year.

As at 31 December 2022, the 2 remaining software solutions (31 December 2021: 4) 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. 1 out of the 2 (2021: 3 out of the 4) remaining software solutions with carrying value of \$18,750 (2021: \$193,232) were fully impaired as these software solutions were in low usage or 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.

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

	2022	2021
	%	%
<i>Pre-tax discount rate</i>	<u>16.8</u>	<u>16.6</u>

No pre-tax discount rates were used in the assessment of the 1 fully impaired software solution as at 31 December 2022 as minimum future use is expected.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

6 INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 \$'000	2021 \$'000
Unquoted equity shares, at cost as at beginning of the year	85,837	–
Additions	46	85,837
Unquoted equity shares, at cost as at end of the year	85,883	85,837
Allowance for impairment	(80,783)	(75,237)
	5,100	10,600

In 2021, the Company acquired OxPay SG 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.

In 2022, the Company granted 343,137 new ordinary shares to the then Managing Director valued at \$0.134 per share, for a consideration of \$46,000. The consideration was recognised as a cost of investment in its subsidiary.

As the reporting date, the Company carried out a review on whether there is any impairment on its investment in OxPay SG Pte. Ltd.. Impairment of \$5,546,000 (2021: \$75,237,000) was recognised as the recoverable amounts of OxPay SG 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:

	2022 %	2021 %
Revenue growth rate for next 5 years	10	10 to 20
Terminal growth rate	2	2
Pre-tax discount rate	16.8	16.6

The Group assessed that it controls OxPay Holding (Thailand) Company Limited (formerly known as MCP Holding (Thailand) Company Limited) although the Company owns less than half of the ownership interest as the Group has majority board seats in OxPay 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 OxPay 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 2022

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	
			2022 %	2021 %	2022 \$'000	2021 \$'000
Directly held by Company						
OxPay SG Pte. Ltd. ⁱ	Provision of mobile payment technology licensing and related hardware sales, and rental and electronic payment processing as aggregator and master merchant	Singapore	100	100	85,883	85,837
OxPay Investment Pte. Ltd. ⁱ	Investment holding	Singapore	100	-	*	-
Indirectly held via OxPay SG Pte. Ltd./OxPay Investment Pte. Ltd.						
Ffastpay Pte. Ltd. ⁱ	Provision of mobile payment technology & development	Singapore	100	100	1	1
OxPay (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. ⁱ	Investment holding	Singapore	100	100	*	*
OxPay Solutions Pte. Ltd. (formerly known as Genesis Payment Solutions Private Limited) ^j	Provision of financial and blockchain technology services and ecommerce activities	Singapore	100	90	185	165

* Amount less than \$1,000.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

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	
			2022 %	2021 %	2022 \$'000	2021 \$'000
Indirectly held via OxPay Global Venture Pte. Ltd.						
OxPay Holding (Thailand) Company Limited (formerly known as MCP Holding (Thailand) Company Limited) ⁱⁱⁱ	Investment holding	Thailand	49	49	403	47
Indirectly held via OxPay Holding (Thailand) Company Limited (formerly known as MCP Holding (Thailand) Company Limited)						
OxPay (Thailand) Company Limited (formerly known as MC Payment (Thailand) Company Limited) ⁱⁱ	Provision of mobile payment technology & development	Thailand	74	74	1,632	900

i Audited by KPMG LLP, Singapore

ii Audited by KPMG LLP, 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 2022

7 INVESTMENT IN ASSOCIATE

	Group	
	2022 \$'000	2021 \$'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	
			2022 %	2021 %	2022 \$'000	2021 \$'000
PT MCP Indo Utama ⁱ	Provision of mobile payment technology & development	Indonesia	24	24	631	631

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 SFRS(I), modified for fair value adjustments on acquisition and differences in the Company's accounting policies. The associate is not material to the Group.

	PT MCP Indo Utama \$'000
2022	
Revenue	2,925
Loss for the year	(3,290)
Other comprehensive income	149
Total comprehensive loss	(3,141)
Non-current assets	268
Current assets	4,616
Non-current liabilities	(305)
Current liabilities	(10,733)
Net liabilities	(6,154)
Group's interest in net assets of investee at beginning of the year	-
Group's share of:	
- loss for the year	-
Group's contribution during the year	-
Carrying amount of interest in investee at end of the year	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

7 INVESTMENT IN ASSOCIATE (CONTINUED)

	PT MCP Indo Utama \$'000
2021	
Revenue	945
Loss for the year	(1,768)
Other comprehensive income	(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	-

8 CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash at bank	8,053	26,449	45	494
Fixed deposits	14,052	-	-	-
	22,105	26,449	45	494

The cash and cash equivalent balances as at 31 December 2022 and 31 December 2021 included merchant reserve cash balances. The amount payables are \$17,893,000 and \$21,776,000, respectively. Merchant reserve balances payable is included as part of trade and other payables (note 13).

The fixed deposits carried interest ranging from 3.24% to 3.58% with 1-month maturity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

9 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade receivables	955	3,378	-	-
Contract assets	75	71	-	-
Less: Allowance for impairment	(510)	(2,856)	-	-
Net trade receivables and contract assets	520	593	-	-
Amount due from subsidiary (non-trade)	-	-	-	14
Other receivables	2,249	2,017	-	-
Less: Allowance for impairment	(2,187)	(1,971)	-	-
Net other receivables	62	46	-	-
Interest receivables	43	-	-	-
Deposits	2,765	2,801	-	-
	3,390	3,440	-	14
Value-added tax and withholding tax receivables	34	4	-	-
Advance payment	32	39	31	13
Prepayments	64	52	-	-
	3,520	3,535	31	27
Non-current	16	13	-	-
Current	3,504	3,522	31	27
	3,520	3,535	31	27

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

As at 31 December 2022, included in other receivables is an amount of \$1,100,000 (2021: \$1,079,000) due from third party, out of which \$618,000 (2021: \$597,000) bears interest at an interest rate of 6% (2021: 6%) per annum. The amount was collateralised by the ordinary shares of the borrower. There was also an amount of \$482,000 (2021: \$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 2022

10 SHARE CAPITAL

Note	Company 2022	
	No. of shares	\$'000
Issued and fully paid ordinary shares, with no par value:		
At 1 January	272,248,881	169,935
Issue of ordinary shares for cash on 4 May 2022	3,251,119	494
Issue of ordinary shares pursuant to vesting of share award on 23 September 2022	343,137	45
At 31 December	<u>275,843,137</u>	<u>170,474</u>

Note	Company 2021	
	No. of shares	\$'000
Issued and fully paid ordinary shares, with no par value:		
At 1 January	1,797,792,986	71,777
Placement shares issued on 28 January 2021	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	157,725,296	82,806
Shares issued to redeem the convertible bonds and its associated interest payable	64,516,129	10,000
Shares issued to pay to the Sponsor as part payment for its services in relation to the RTO Transaction	2,360,000	1,239
Shares issued to employees of OxPay as incentive payment	445,520	234
Placement shares issued on 12 March 2021	10,000,000	3,279
Subtotal	<u>235,046,945</u>	<u>97,558</u>
At 31 December	<u>272,248,881</u>	<u>169,935</u>

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 2022

10 SHARE CAPITAL (CONTINUED)

	Note	Group	
		2022 \$'000	2021 \$'000
Issued and fully paid ordinary shares, with no par value:			
At 1 January		55,218	22,069
Consideration shares issued in relation to reverse acquisition		–	15,997
Issue of ordinary shares related to settlement of bond payable		–	10,000
Share-based payments – Sponsor equity shares pursuant to the RTO Transaction	10.6	–	1,239
Share-based payments – employees incentive scheme	10.2/10.7	45	234
Issue of ordinary shares for cash	10.1/10.8	512	4,000
Share issue expense	10.1/10.8	(18)	(721)
Share-based payments – introducer fees pursuant to the RTO Transaction paid by using OxPay's ordinary shares	10.9	–	2,400
Subtotal		539	33,149
At 31 December		55,757	55,218

Placement shares issued on 4 May 2022

10.1 On 4 May 2022, the Company completed the placement of 3,251,119 new ordinary shares at the issue price of \$0.1575 per new share to a subscriber, raising gross proceeds of \$512,051. Net proceeds received after deducting direct expenses relating to the placement was \$493,861.

Shares issued on 23 September 2022 pursuant to vesting of share award

10.2 The Company granted 343,137 new ordinary shares to the then Managing Director of the Company pursuant to the vesting of share award granted under the OxPay Performance Share Plan adopted by the Company at the extraordinary general meeting held on 22 January 2021. The new shares were valued at \$0.134 each on vesting date, 23 September 2022. The direct expenses relating to the issuance of new shares pursuant to the vesting of share award was \$1,150.

Movement in the number of performance shares outstanding during the financial year are summarised below:

2022

Grant Date	Outstanding as at 1.1.22	Granted	Vested	Adjusted	Outstanding as at 31.12.22
23.09.2022	–	46	(46)	–	–

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

10 SHARE CAPITAL (CONTINUED)

Measurement of fair values

The fair value of the performance share has been measured using the market price of the shares. Service and non-market performance conditions attached to the transactions were not taken into account in measuring fair value.

The input used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows:

	Group Key management personnel 2022
Fair value at grant date (\$'000) [^]	46
Share price at grant date	0.134

[^] *Granted with non-market conditions*

For non-market conditions, achievement factors have been estimated based on management inputs for the purpose of accrual for the share award until achievement of the performance conditions can be accurately ascertained.

In 2021, the Group has not recognised share-based compensation expense in respect of the share award based on the fair value determined on grant date and estimation of the share grants that will ultimately vest as the grant date was determined not to be established. The grant date was established, and fair valued on 23 September 2022. This was recorded as an administrative expense in its consolidated statement of comprehensive income.

Placement shares issued on 28 January 2021

10.3 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 \$0.00963 per new share to the Company's controlling shareholder, Mr Ching Chiat Kwong, raising gross proceeds of \$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:

10.4 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 \$82,805,780, the Company allotted and issued 157,725,296 ordinary shares to the shareholders of OxPay at an issue price of \$0.525 per share;

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

10 SHARE CAPITAL (CONTINUED)

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

11 OTHER RESERVES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Share-based compensation reserve	-	-	2,515	2,515
Currency translation reserve	101	143	-	-
Capital reserve	2,896	2,896	*	*
	2,997	3,039	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 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 convertible bonds from a subsidiary which were fully settled. 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 2022

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	
		2022 %	2021 %
OxPay Solutions Pte. Ltd. (formerly known as Genesis Payment Solutions Private Limited)	Singapore	-	10
OxPay Holdings (Thailand) Co. Ltd. (formerly known as MCP Holdings (Thailand) Co. Ltd.)	Thailand	51	51
OxPay (Thailand) Co. Ltd. (formerly known as 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.

	OxPay Solutions Pte. Ltd. \$'000	OxPay Holdings (Thailand) Co. Ltd. \$'000	OxPay (Thailand) Co. Ltd. \$'000	Intra-group elimination \$'000	Total \$'000
2022					
Revenue	6	-	1,219		
(Loss)/profit	(24)	(1)	166		
OCI	-	(10)	(28)		
Total comprehensive (loss)/income	(24)	(11)	138		
Attributable to NCI:					
- (Loss)/profit	(1)	(1)	43	-	41
- OCI	-	(5)	(7)	-	(12)
Non-current assets	-	814	507		
Current assets	4	*	1,327		
Non-current liabilities	-	-	-		
Current liabilities	(744)	(363)	(2,635)		
Net (liabilities)/assets	(740)	451	(801)		
Net (liabilities)/assets attributable to NCI	-	59	(401)	-	(342)
Cash flows (used in)/ generated from operating activities	(21)	*	520		
Cash flows used in investing activities	-	-	-		
Cash flows generated from financing activities	-	-	437		
Net (decrease)/increase in cash and cash equivalents	(21)	-	957		

* Amount less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

12 NON-CONTROLLING INTERESTS (CONTINUED)

	OxPay Solutions Pte. Ltd. \$'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 generated from/(used in) operating activities	4	*	(356)		
Cash flows used in investing activities	–	–	(4)		
Cash flows generated from financing activities	–	–	63		
Net increase/(decrease) in cash and cash equivalents	4	–	(297)		

* Amount less than \$1,000

13 TRADE AND OTHER PAYABLES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade payables	18,878	22,356	–	–
Other payables	726	564	146	332
Accrued operating expenses	682	1,163	148	216
Deposit received from customers	312	184	–	–
Interest payable on loans from a shareholder	–	121	–	121
Amount due to subsidiaries (non-trade)	–	–	500	–
	20,598	24,388	794	669
GST payables	–	6	–	–
Contract liabilities	6	16	–	–
	20,604	24,410	794	669

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

14 LOANS AND BORROWINGS

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Loans from a shareholder	-	559	-	559
Lease liabilities	28	97	-	-
	28	656	-	559
Non-current	-	24	-	-
Current	28	632	-	559
	28	656	-	559

Loans from a shareholder comprise unsecured loans amounting to an aggregate of \$Nil (2021: \$559,000) at an interest rate of 10% per annum granted by the Company's controlling shareholder. The loans are repayable one year after the release of the escrow monies.

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

Group	Loans from a shareholder \$'000	Bonds payable \$'000	Lease liabilities \$'000	Total \$'000
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	-	-	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
Balance as at 1 January 2022	559	-	97	656
Changes from financing cash flows				
Payment of lease liabilities	-	-	(88)	(88)
Payment of lease interest	-	-	(3)	(3)
Repayment of amount due to a shareholder	(573)	-	-	(573)
Total changes from financing cash flows	(573)	-	(91)	(664)
Other changes				
Interest expense	14	-	3	17
New leases	-	-	19	19
Balance as at 31 December 2022	-	-	28	28

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

15 REVENUE

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

	Group	
	2022 \$'000	2021 \$'000
Transaction revenue	3,943	7,685
Sales of services	5,057	6,011
Other revenue	871	3,848
	9,871	17,544

Transaction revenue

Nature of services	(i)	Authorisation, clearing, settlement, network access and other maintenance and support services that facilitate transaction and information processing.
	(ii)	Domestic withdrawal and transfer services consist of revenue earned when the transaction is processed.
When revenue is recognised	(i)	Upon successful processing of the transaction.
	(ii)	At point in time for domestic withdrawal and transfer services.
Significant payment terms	(i)	Payment is due when the transaction is processed.
	(ii)	Payment is due when payment is processed for domestic withdrawal and transfer services.

Sales of services

Nature of services	(i)	Software customisation and development services and
	(ii)	implementation and integration of ready solution.
	(iii)	tokenisation/detokenisation services in storing credit card credentials.
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.
	(iii)	Revenue is recognised overtime on a monthly basis.
Significant payment terms	(i)	Payment is due upon complete satisfaction of performance obligation.
	(ii)	Payment is due upon successful integration and implementation.
	(iii)	Payment is due 30 days upon monthly billing.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

15 REVENUE (CONTINUED)

Other revenue

Nature of services	(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. 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.
When revenue is recognised	Revenue is recognised over time for (i) Setup fees and subscription fees and at point in time for (ii) referral fees.
Significant payment terms	Payment is due 1 to 30 days upon billing for (i) Setup fees and subscription fees and (ii) referral fees.

	2022	2021
	\$'000	\$'000
Timing of revenue recognition		
Performance obligations satisfied at a point in time	4,800	11,253
Performance obligations satisfied over time	5,071	6,291
	9,871	17,544

Contract balances

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

	2022	2021
	\$'000	\$'000
Trade receivables	955	3,378
Contract assets	75	71
Contract liabilities	(6)	(16)

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 2022

15 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	-	-	16	22
Increases due to cash received, excluding amounts recognised as revenue during the year	-	-	(6)	(16)
Changes in measurement of progress	12	-	-	-
Contract asset reclassified to trade receivables	(8)	-	-	-

16 OTHER INCOME

	Group	
	2022 \$'000	2021 \$'000
Gain from early redemption of bonds	-	97
Gain on debt settlement	102	-
Government grants	404	217
Sundry income	135	110
	641	424

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

17 FINANCE INCOME AND COSTS

	Group	
	2022 \$'000	2021 \$'000
Finance income		
Interest income	134	61
Finance costs		
Interest expenses on lease liabilities	3	5
Interest expense on shareholder loans and third party	14	49
Interest expenses on bonds payable	-	56
Foreign exchange loss, net	32	240
	49	350

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

18 LOSS BEFORE TAX

	Note	Group	
		2022 \$'000	2021 \$'000
Salaries, bonus and other staff costs		2,827	2,729
Employer's contribution to defined contribution plans including			
Central Provident Fund		283	199
Professional services fees		722	3,882
Audit fee – KPMG LLP, Singapore		278	264
Audit fee – Other auditors		39	38
Non-audit fee		7	5
Impairment loss on intangible assets	5	19	193
Amortisation of intangible assets	5	113	293
Research and development		442	419
Depreciation of property, plant and equipment	4	118	107

19 TAX EXPENSE

	Group	
	2022 \$'000	2021 \$'000
Current tax expense – under-provision of prior year tax	5	–
Reconciliation of effective tax rate		
Loss before tax	(427)	(27,361)
Add: Share of loss of associate	–	223
	(427)	(27,138)
Tax calculated using Singapore tax rate of 17% (2021: 17%)	(73)	(4,614)
Effect of tax rates in foreign jurisdictions	2	(15)
Non-taxable income	(1)	(98)
Non-deductible expenses	109	5,621
Unutilised tax losses not recognised	15	117
Recognition of tax effect of previously unrecognised tax losses	(26)	(1,125)
Change in unrecognised temporary differences	(26)	119
Under-provision of prior year tax	5	–
Others	–	(5)
	5	–

Deferred tax assets have not been recognised in respect of the following:

	Group			
	2022		2021	
	Gross amount \$'000	Tax effect \$'000	Gross amount \$'000	Tax effect \$'000
Tax losses	4,147	705	4,214	716
Capital allowances	174	30	174	30
Donations	3	1	3	1
Other deductible temporary differences	1,236	210	1,387	236
	5,560	946	5,778	983

* Amount less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

19 TAX EXPENSE (CONTINUED)

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 \$1,622,000 (2021: \$1,974,000) 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.

20 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>2022</u>	<u>2021</u>
Net loss attributable to owners of the Company (\$'000)	<u>(473)</u>	<u>(27,060)</u>
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January [^]	272,248,881	–
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	93,070	385,710
Effect of shares issued for cash as part of the placement shares	2,146,629	8,054,795
Weighted average number of ordinary shares during the year	<u>274,488,580</u>	<u>235,097,661</u>
Basic loss per share (cents)	<u>(0.17)</u>	<u>(11.51)</u>

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

[^] There are no balance as at 1 January 2021 as earnings per share is calculated post the RTO.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

20 LOSS PER SHARE (CONTINUED)

(b) Diluted loss per share

Diluted loss 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 2022.

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

	<u>2022</u>	<u>2021</u>
Net loss used to determine diluted loss per share (\$'000)	(473)	(27,060)
Weighted average number of ordinary shares (diluted) during the year	274,488,580	235,097,661
Diluted loss per share (cents)	(0.17)	(11.51)

21 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	
	2022	2021
	\$'000	\$'000
Balance at 1 January	92	13
Additions	19	154
Depreciation charge for the year	(84)	(75)
Translation difference	(1)	-
Balance at 31 December	26	92

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

21 LEASES (CONTINUED)

Amounts recognised in profit or loss

	2022 \$'000	2021 \$'000
Interest on lease liabilities	<u>3</u>	<u>5</u>

Amounts recognised in statement of cash flows

	2022 \$'000	2021 \$'000
Total cash outflow for leases	<u>(91)</u>	<u>(81)</u>

22 CONTINGENT LIABILITIES

As at 31 December 2022, the Group was granted banker's guarantees of \$660,000 and \$200,000 (2021: \$660,000 and \$200,000) for security deposit required by a payment acquirer and Monetary Authority of Singapore ("MAS") license, respectively. The security deposits are required by a certain payment acquirer and MAS in the event Group is unable to settle any outstanding amount due to the payment acquirer and requirement under section 22 of the Payment Service Act, respectively. The Group does not expect any situation that would result in its inability to settle any payable due to the payment acquirer or MAS.

23 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

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.

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:

	2022		2021	
	Not credit impaired \$'000	Credit impaired \$'000	Not credit impaired \$'000	Credit impaired \$'000
Not past due	352	*	455	-
Past due 1 to 30 days	135	*	49	-
Past due 31 to 60 days	22	1	73	-
Past due 61 to 90 days	*	-	7	-
More than 90 days	7	438	9	2,785
Contract assets	4	71	-	71
Total gross carrying amount	520	510	593	2,856
Loss allowance	-	(510)	-	(2,856)
	520	-	593	-

* Amount less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

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 2021	1,639
Impairment loss recognised	1,768
Allowance written off	(4)
Reclassification to other receivables	(480)
Exchange differences	(67)
At 31 December 2021	2,856
Impairment loss recognised	35
Allowance written off	(12)
Reversal of impairment loss	(2,282)
Exchange differences	(87)
At 31 December 2022	510

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 2021	1,049
Impairment loss recognised	453
Reclassification from trade receivables	480
Exchange difference	(11)
At 31 December 2021	1,971
Impairment loss recognised	209
Exchange difference	7
At 31 December 2022	2,187

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

Non-trade amounts due from a subsidiary

The Company held non-trade receivables from its subsidiary of \$Nil (2021: \$14,000). Impairment on these balances has been measured on the 12 month expected credit loss basis; and the amount of the allowance is insignificant.

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 2 years \$'000
Group				
31 December 2022				
Trade and other payables*	20,598	20,598	20,598	-
Lease liabilities	28	28	28	-
	20,626	20,626	20,626	-
31 December 2021				
Trade and other payables*	24,388	24,388	24,388	-
Lease liabilities	97	114	90	24
Bond payable	559	615	615	-
	25,044	25,117	25,093	24
Company				
31 December 2022				
Other payables*	294	294	294	-
Amount due to subsidiaries	500	500	500	-
	794	794	794	-
31 December 2021				
Other payables*	669	669	669	-
Loans from a shareholder	559	615	615	-
	1,228	1,284	1,284	-

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

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 optimizing 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.

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
2022			
Financial assets			
Cash and cash equivalents	241	7,071	82
Trade and other receivables [^]	2	3,127	13
	<u>243</u>	<u>10,198</u>	<u>95</u>
Financial liabilities			
Trade and other payables*	(99)	(1,089)	(189)
Net currency exposure	<u>144</u>	<u>9,109</u>	<u>(94)</u>
2021			
Financial assets			
Cash and cash equivalents	173	8,730	717
Trade and other receivables [^]	2,371	308	39
	<u>2,544</u>	<u>9,038</u>	<u>756</u>
Financial liabilities			
Trade and other payables*	(956)	(4,251)	(416)
Net currency exposure	<u>1,588</u>	<u>4,787</u>	<u>340</u>

[^] 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 2022

23 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)	
	2022	2021
	\$'000	\$'000
EUR against SGD		
– 5% strengthening (2021: 5%)	7	79
– 5% weakening (2021: 5%)	(7)	(79)
USD against SGD		
– 5% strengthening (2021: 5%)	455	239
– 5% weakening (2021: 5%)	(455)	(239)
JPY against SGD		
– 5% strengthening (2021: 5%)	(5)	17
– 5% weakening (2021: 5%)	5	(17)

As at reporting date, the Group 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	
	2022	2021
	\$'000	\$'000
Fixed rate instruments		
Fixed deposits	14,052	–
Bonds payable	–	–
Loans from a shareholder	–	559

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

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.

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 2022			
Trade and other receivables [^]	3,390	–	3,390
Cash and cash equivalents	22,105	–	22,105
	25,495	–	25,495
Trade and other payables*	–	20,598	20,598
Lease liabilities	–	28	28
	–	20,626	20,626
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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Accounting classifications (Continued)

	Amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000
Company			
31 December 2022			
Cash and cash equivalents	45	-	45
Other payables*	-	794	794
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

[^] 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.

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 2022

24 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	
	2022 \$'000	2021 \$'000
Key management personnel compensation is as follows:		
Short term employee benefits	193	101
Post-employment benefits (including Central Provident Fund)	-	-
	<u>193</u>	<u>101</u>
Short term employee benefits paid by subsidiaries	786	1,210
Post-employment benefits (including Central Provident Fund)	52	49
	<u>838</u>	<u>1,259</u>
	Company	
	2022 \$'000	2021 \$'000
Interest payable to the controlling shareholder	-	56

Other related party transactions

	Group	
	Transaction value for the year ended 31 December	
	2022 \$'000	2021 \$'000
Software development fees		
Associate	33	45

There are no outstanding balances as at 31 December 2022 and 2021.

25 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.
- 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, white-labelling of its proprietary or licenced software, development of bespoke software for its merchants, and tokenisation/detokenization services.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

25 OPERATING SEGMENTS (CONTINUED)

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 2022			
	MPS	DCES	Unallocated	Consolidated
	\$'000	\$'000	\$'000	\$'000
Total segment revenue	4,814	5,057	–	9,871
Inter-segment revenue	–	–	–	–
Revenue from external parties	4,814	5,057	–	9,871
Depreciation	(92)	(26)	–	(118)
Amortisation	(112)	(1)	–	(113)
Finance income	132	2	–	134
Finance costs	(110)	5	56	(49)
Segment profit/(loss)	126	81	(634)	(427)
Other material non-cash items:				
Impairment loss on trade and other receivables	(237)	(7)	–	(244)
Reversal of impairment loss on trade and other receivables	2,254	28	–	2,282
Reportable segment assets	25,602	523	–	26,125
Reportable segment liabilities	(20,411)	(226)	–	(20,637)
Capital expenditure	195	43	–	238

	Group			
	Year ended 31 December 2021			
	MPS	DCES	Unallocated	Consolidated
	\$'000	\$'000	\$'000	\$'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 2022

25 OPERATING SEGMENTS (CONTINUED)

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*	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Singapore	3,404	11,771	453	480
Malaysia	5,248	5,650	45	31
Thailand	1,219	123	2	5
Total	9,871	17,544	500	516

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

Major customer

A major customer contributed approximately \$Nil (2021: \$5,336,000) of the Group's total revenues from the MPS business segment for the year ended 31 December 2022.

26 ACQUISITION OF NON-CONTROLLING INTERESTS

In June 2022, the Group acquired an additional 10% interest in OxPay Solutions Pte. Ltd. (formerly known as Genesis Payment Solutions Private Limited), increasing its ownership from 90% to 100%. The carrying amount of OxPay Solutions Pte. Ltd.'s net liabilities in the Group's consolidated financial statements on the date of the acquisition was \$611,000.

	2022
	\$'000
Carrying amount of NCI acquired (($\$611,000$) * 10%)	(61)
Consideration paid to NCI	(20)
Decrease in equity attributable to owners of the Company	(81)

The decrease in equity attributable to owners of the Company comprised:

- a decrease in retained earnings of \$81,000.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

27 SUBSEQUENT EVENTS

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

1. \$200,000 was paid to MAS as security deposit on 1 February 2023 as bank's guarantee for security deposit required by MAS was terminated on 21 February 2023; and
2. The Group entered into a term loan facility of \$1 million with RHB on 28 September 2022. The loan was fully drawn down on 16 January 2023.

28 NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

(i) Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. The Group does not expect the adoption of the new standard has significant impact.

(ii) Amendments to SFRS(I)1-1: *Classification of Liabilities as Current or Non-Current*

The amendments, as issued in 2020, aim to clarify the requirements on determining whether a liability is current or non-current, and apply for annual reporting periods beginning on or after 1 January 2023. However, the IASB has subsequently proposed further amendments to IAS 1 and the deferral of the effective date of the 2020 amendments to no earlier than 1 January 2024. Due to these ongoing developments, the Group is unable to determine the impact of these amendments on the consolidated financial statements in the period of initial application. The Group is closely monitoring the developments.

(iii) Others

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

- SFRS(I) 17 *Insurance Contracts* and Amendments to SFRS(I) 17 *Insurance Contracts*
- *Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies*
- *Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback*
- *Amendments to SFRS(I) 1-8: Definition of Accounting Estimates*

STATISTICS OF SHAREHOLDINGS

AS AT 17 MARCH 2023

Issued and paid-up capital	:	\$176,374,978.782
Number of shares	:	275,843,137
Number of voting shares	:	275,843,137
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

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHAREHOLDINGS
1 – 99	160	6.19	5,119	0.00
100 – 1,000	454	17.58	268,142	0.10
1,001 – 10,000	1,015	39.30	5,177,517	1.88
10,001 – 1,000,000	923	35.73	69,773,603	25.29
1,000,001 and above	31	1.20	200,618,756	72.73
Total	2,583	100.00	275,843,137	100.00

SUBSTANTIAL SHAREHOLDERS

As recorded in the Register of Substantial Shareholders

NAME OF SHAREHOLDER	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
Ching Chiat Kwong	73,663,613	26.70	–	–

STATISTICS OF SHAREHOLDINGS

AS AT 17 MARCH 2023

TWENTY LARGEST SHAREHOLDERS

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHAREHOLDINGS
1	CHING CHIAT KWONG	70,952,113	25.72
2	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	35,031,216	12.70
3	DBS NOMINEES (PRIVATE) LIMITED	13,578,027	4.92
4	TEE WEE SIEN (ZHENG WEIXIAN)	11,189,985	4.06
5	LEE YEW SHIN	8,707,626	3.16
6	TOH SOON HUAT	6,807,629	2.47
7	PHILLIP SECURITIES PTE LTD	5,625,212	2.04
8	MAYBANK SECURITIES PTE. LTD.	4,348,794	1.58
9	JEFFERY ONG @JEFFERY RAHARDJA	3,900,005	1.41
10	IFAST FINANCIAL PTE. LTD.	3,583,608	1.30
11	LEE HOCK ENG	3,211,577	1.16
12	TAN YONG HOA	2,920,490	1.06
13	TIGER BROKERS (SINGAPORE) PTE. LTD.	2,641,514	0.96
14	UOB KAY HIAN PRIVATE LIMITED	2,355,272	0.85
15	NG HWEE HWEE	2,216,961	0.80
16	DB NOMINEES (SINGAPORE) PTE LTD	2,153,125	0.78
17	OCBC SECURITIES PRIVATE LIMITED	2,099,429	0.76
18	LEONG YIN PING	2,099,373	0.76
19	RAFFLES NOMINEES (PTE.) LIMITED	1,902,451	0.69
20	LEE SOO LIAP (LI CILIE)	1,663,392	0.60
	TOTAL	186,987,799	67.78

PERCENTAGE OF SHAREHOLDING HELD BY THE PUBLIC

Based on the information provided to the Company as at 17 March 2023, approximately 71.79% 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.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**” or the “**Meeting**”) of OXPAY FINANCIAL LIMITED (the “**Company**”) will be held by electronic means on Thursday, 20 April 2023 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 of the Company for the financial year ended 31 December 2022, together with the Directors’ Statement and Independent Auditors’ Report.

Resolution 2

2. To re-elect Mr Shawn Ching Wei Hung 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 of the Company (“**Director**”).

[see Explanatory Note (i)]

Resolution 3

3. To re-elect Mr Ng Weng Sui Harry 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 Ng Weng Sui Harry will, upon re-election as a Director, remain as a member of the Audit Committee and the Board considers him to be non-independent for the purpose of Rule 704(7) of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”).*

[see Explanatory Note (i)]

Resolution 4

4. To re-elect Mr Koh Jin Kit who is retiring pursuant to Regulation 115 of the Constitution and who, being eligible, offers himself for re-election as a Director.

[see Explanatory Note (i)]

Resolution 5

5. To re-elect Mr Chin Chen Keong who is retiring pursuant to Regulation 115 of the Constitution and who, being eligible, offers himself for re-election as a Director.

Mr Chin Chen Keong will, upon re-election as a Director, remain as the chairman of the Audit Committee and the Board considers him to be independent for the purpose of Rule 704(7) of the Catalist Rules.

[see Explanatory Note (i)]

NOTICE OF ANNUAL GENERAL MEETING

Resolution 6

6. To approve the payment of Directors' fees of up to \$240,000 for the financial year ending 31 December 2023, to be paid quarterly in arrears [FY2022: \$240,000].

Resolution 7

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

AS SPECIAL BUSINESS

Resolution 8

9. 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 of Singapore 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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
 - (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 9

10. 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 of Singapore, 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,

NOTICE OF ANNUAL GENERAL MEETING

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)]

Resolution 10

11. 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 of Singapore, 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 Bock Hui and Wee Mae Ann
Company Secretaries
Singapore
5 April 2023

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Detailed information (including information as required pursuant to Rule 720(5) of the Catalyst Rules) on the Directors who are proposed to be re-elected can be found under the sections entitled "Profile of Directors" and "Additional Information on Directors Seeking Re-Election" in the Company's Annual Report 2022.
- (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 8, if passed, will empower the Directors from the date of the above AGM of the Company until the date of the next AGM of the Company, 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 one hundred per cent (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 fifty per cent (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 AGM of the Company or the date by which the next AGM 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 9, if passed, will authorise and empower the Directors, from the date of the above AGM of the Company until the date of the next AGM of the Company, or the date by which the next AGM 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 10, if passed, will authorise and empower the Directors, from the date of the above AGM of the Company until the date of the next AGM of the Company, or the date by which the next AGM 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 2022, together with the Notice of AGM and the accompanying Proxy Form, will not be sent to members. Instead, the Annual Report 2022, together with the Notice of AGM and the accompanying Proxy Form, will be sent to members by electronic means via publication on SGXNet and on the Company's website at <http://oxpayfinancial.com>.

Participation in the AGM proceedings

2. Members will not be able to attend the AGM in person. Members who wish to attend the AGM via electronic means must pre-register themselves or their appointed proxies at <https://conveneagm.com/sg/oxpay2023> by **10.00 a.m. on 17 April 2023** to enable the Company to verify their status. Pre-registrations received after the deadline will not be processed.
3. Following the verification, authenticated members and proxies will receive an email by 10.00 a.m. on 19 April 2023. 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 and proxies who have registered by the deadline on 17 April 2023, but do not receive an email by 10.00 a.m. on 19 April 2023, should contact the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. via email at shareregistry@incorp.asia and provide their full name and identification/registration number.
4. Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (including those who hold shares under the Supplementary Retirement Scheme) and who wish to participate in the AGM proceedings via electronic means or submit questions in advance of the AGM, should contact their respective relevant intermediaries (including SRS Operators) as soon as possible in order to make the necessary arrangements for them to do so.
5. A Depositor shall not be regarded as a member of the Company entitled to participate in the AGM proceedings and to exercise his voting rights thereat unless his name appears on the Depository Register as at 72 hours before the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Submission of questions

6. Members and proxies who have registered and been authenticated will be able to ask questions relating to the resolutions to be tabled for approval at the AGM during the AGM by submitting text-based questions through the live chat function on the webcast platform. The Company will endeavour to address such questions during the AGM.
7. Members can also submit questions relating to the resolutions to be tabled for approval at the AGM in advance of the AGM in the following manner:
 - (a) via the pre-registration website at <https://conveneagm.com/sg/oxpay2023>; or
 - (b) by email to shareregistry@incorp.asia; or
 - (c) by post to the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712,

in each case to be received no later than 9.00 a.m. on 13 April 2023.

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.

8. The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM which are submitted in advance of the AGM by the aforesaid cut-off deadline by publishing the responses to the questions on SGXNet and the Company's website at least 48 hours before the closing date and time for the lodgement of the proxy forms for the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

Voting

9. Members (whether individual or corporate) who wish to exercise their voting rights at the AGM may cast their votes remotely in real-time during the AGM or appoint proxies to vote on their behalf remotely in real-time during the AGM. Members may also 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 SGXNet and on the Company's website at <https://oxpayfinancial.com>.
10. Unless otherwise permitted under the Companies Act, a member of the Company entitled to attend, speak and vote at the AGM may appoint not more than two proxies to attend, speak and vote instead of him. A proxy (including the Chairman of the Meeting as proxy) need not be a member of the Company. A member who is a relevant intermediary (as defined in the Companies Act) may 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 member.
11. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the proxy form. Where a member appoints the Chairman of the Meeting as his proxy, he 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.
12. Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (including those who hold shares under the Supplementary Retirement Scheme) and who wish to participate in the AGM proceedings via electronic means or to appoint proxies to vote must approach their respective relevant intermediaries (including SRS Operators) to submit their instructions by **10 April 2023**, to enable their respective relevant intermediaries to submit proxy forms so that they are received no later than **10.00 a.m. on 17 April 2023**.
13. A member (whether individual or corporate) who wishes to submit a proxy form to appoint a proxy or proxies (including the Chairman of the Meeting as proxy) must first download, 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 email to shareregistry@incorp.asia,

in either case, to be received no later than **10.00 a.m. on 17 April 2023** (being 72 hours before the time appointed for holding the AGM), failing which the proxy form will be treated as invalid. Members are strongly encouraged to submit completed proxy forms electronically via email.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing proxy or proxies to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to participate in the proceedings of the AGM, or (c) submitting any question prior to or during the AGM, 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 following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of proxy forms for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members of the Company (or their corporate representatives in the case of members of the Company which are legal entities) to participate in the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members of the Company received before or during the AGM and if necessary, following up with the relevant members of the Company in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities,

and warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the aforesaid purposes, and agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Photographic, 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 his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

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 Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896, telephone (65) 6636 4201.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Shawn Ching Wei Hung, Mr Ng Weng Sui Harry, Mr Koh Jin Kit and Mr Chin Chen Keong are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened and held on 20 April 2023.

The following additional information relating to the aforesaid Directors is to be read in conjunction with their respective profiles in "Profile of Directors" section of this Annual Report.

Details required under Appendix 7F of the Catalyst Rules	Shawn Ching Wei Hung	Ng Weng Sui Harry	Koh Jin Kit	Chin Chen Keong
Date of initial appointment	30 June 2021 ⁽¹⁾	30 June 2021 ⁽²⁾	1 February 2023	1 July 2022
Date of last re-appointment (if applicable)	Not applicable	Not applicable	Not applicable	Not applicable
Age	31	67	57	63
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	<p>The re-election of Mr Ching as a non-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, as well as the size, composition and diversity of skillsets on the Board.</p>	<p>The re-election of Mr Ng as a non-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, as well as the size, composition and diversity of skillsets on the Board.</p> <p>The Board considers Mr Ng to be non-independent for the purpose of Rule 704(7) of the Catalyst Rules.</p>	<p>The re-election of Mr Koh 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, as well as the size, composition and diversity of skillsets on the Board.</p>	<p>The re-election of Mr Chin as an independent director was recommended by the Nominating Committee and accepted by the Board, having regard to his performance, knowledge, skills, experience and independence, and overall contributions since his appointment, as well as the size, composition and diversity of skillsets on the Board.</p> <p>The Board considers Mr Chin to be independent for the purpose of Rule 704(7) of the Catalyst Rules.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details required under Appendix 7F of the Catalyst Rules	Shawn Ching Wei Hung	Ng Weng Sui Harry	Koh Jin Kit	Chin Chen Keong
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Independent Chairman, Deputy Chairman, Member of the Nominating Committee	Non-Executive Independent Director, Member of the Audit Committee and the Remuneration Committee	Managing Director	Non-Executive Independent Director, Chairman of the Audit Committee
Professional qualifications	Bachelor of Science in Business and Management Master of Science in Sustainable Urban Development	Master of Business Administration (General Business Administration) Fellow Member, Institute of Singapore Chartered Accountants Fellow, of the Association of Chartered Certified Accountants (UK)	Bachelor of Computer Science Executive Master of Science in Industrial and Organisational Psychology & Management of Human Resources	Bachelor of Accountancy Certified Information Systems Auditor, ISACA Fellow CPA Australia, CPA Australia Chartered Accountant, Institute of Singapore Chartered Accountants Fellow Chartered Accountant, Institute of Singapore Chartered Accountants
Working experience and occupation(s) during the past 10 years	July 2018 to Present Member of the Board of Regents of Harris Manchester College, University of Oxford November 2018 to Present Executive Director and Group General Manager, Oxley Holdings Limited December 2017 to November 2018 Project Manager, Oxley Holdings Limited May 2017 to December 2017 Assistant Project Manager, Oxley Holdings Limited	May 2010 to Present Executive Director, HLM (International) Corporate Services Pte. Ltd.	March 2021 to January 2023 Education and Career Guidance Counsellor, Ministry of Education, Singapore October 2019 to June 2020 Business Adviser and Management Consultant, Red Dot Payment Private Limited October 2017 to May 2019 Senior Vice President, Director of Operations and Services Department, NTUC Link Private Limited January 2017 to September 2017 Director, Payvision Singapore/Hong Kong/Macau, Payvision Singapore Pte. Ltd.	July 2020 to Present Managing Director, Heurisko Pte Ltd June 2009 to June 2020 Director, Ernst & Young Advisory Pte Ltd June 2008 to June 2020 Partner, Ernst & Young Solutions LLP July 1996 to June 2020 Partner, Ernst & Young LLP

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details required under Appendix 7F of the Catalyst Rules	Shawn Ching Wei Hung	Ng Weng Sui Harry	Koh Jin Kit	Chin Chen Keong
Shareholding interest in the listed issuer and its subsidiaries	Direct interest in 140,000 shares in the Company	Direct interest in 109,800 shares in the Company	Nil	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 Ching is the son of Mr Ching Chiat Kwong, the Non-Executive Non-Independent Chairman and a controlling shareholder of the Company. Mr Ching is a shareholder of the Company, details as set out above.	Mr Ng is a shareholder of the Company, details as set out above.	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details required under Appendix 7F of the Catalyst Rules	Shawn Ching Wei Hung	Ng Weng Sui Harry	Koh Jin Kit	Chin Chen Keong
<p>Other Principal Commitments* Including Directorships#</p> <p>* "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.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)</p>				
Past (for the last 5 years)	<p>Directorships:</p> <p>Artimedia India Pte. Ltd. Artimedia Pte. Ltd. Blacktip (Mladada) Pte. Ltd. Netcell International Pte. Ltd. Oxley Fund Management Pte. Ltd. Oxley Singapore Opportunistic Development Fund Ltd. Precision Shave Pte. Ltd.</p> <p>Other principal commitments: Nil</p>	<p>Directorships:</p> <p>Healthpro Pte. Ltd. IEV Energy Investment Pte. Limited IEV Technologies Pte. Ltd.</p> <p>Other principal commitments: Nil</p>	<p>Directorships:</p> <p>Nil</p> <p>Other principal commitments: Nil</p>	<p>Directorships/Partnerships:</p> <p>Ernst & Young Advisory Pte. Ltd. Ernst & Young LLP Ernst & Young Solutions LLP</p> <p>Other principal commitments: Nil</p>
Present	<p>Directorships:</p> <p>Angeion Medical International Pte. Ltd. Blacktip I Pte. Ltd. Blacktip Partners GP I Pte. Ltd. Blacktip Partners Pte. Ltd. BT Alliance Pte. Ltd. Macritchie Developments Pte. Ltd. Ox Capital Pte. Ltd. Oxley Holdings Limited Oxley Ireland Pte. Ltd. OxProp Capital Pte. Ltd. OxProp Credit Pte. Ltd. OxProp Organisation Pte. Ltd. Taiga Dining Pte. Ltd. Thye Hua Kwan Moral Charities Limited (alternate director)</p> <p>Other principal commitments: Nil</p>	<p>Directorships:</p> <p>HG Metal Manufacturing Limited HLM (International) Corporate Services Pte. Ltd. Medi Lifestyle Limited (formerly IEV Holdings Limited) Oxley Holdings Limited Q&M Dental Group (Singapore) Limited</p> <p>Other principal commitments: Audit Committee member of Singapore Dental Council Audit Committee member of NCC Research Fund and NCCS Cancer Fund</p>	<p>Directorships:</p> <p>Nil</p> <p>Other principal commitments: President, Serangoon Gardens Country Club</p>	<p>Directorships:</p> <p>Heurisko Pte Ltd</p> <p>Other principal commitments: Nil</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details required under Appendix 7F of the Catalyst Rules	Shawn Ching Wei Hung	Ng Weng Sui Harry	Koh Jin Kit	Chin Chen Keong
(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	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	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Shawn Ching Wei Hung	Ng Weng Sui Harry	Koh Jin Kit	Chin Chen Keong
Details required under Appendix 7F of the Catalyst Rules				
<p>(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?</p>	No	No	No	No
<p>(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?</p>	No	No	No	No
<p>(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?</p>	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details required under Appendix 7F of the Catalyst Rules	Shawn Ching Wei Hung	Ng Weng Sui Harry	Koh Jin Kit	Chin Chen Keong
(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	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	No	No
(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	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	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Shawn Ching Wei Hung	Ng Weng Sui Harry	Koh Jin Kit	Chin Chen Keong
Details required under Appendix 7F of the Catalyst Rules				
(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	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	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,	No	No	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?				
(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	No	No

Notes:-

- (1) Served as Director from 18 February 2021 to 28 April 2021, and re-appointed as Director on 30 June 2021.
- (2) Served as Director from 25 June 2008 to 28 April 2021, and re-appointed as Director on 30 June 2021.

XPAY FINANCIAL LIMITED ANNUAL GENERAL MEETING PROXY FORM

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

IMPORTANT

- The Annual General Meeting of the Company ("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 2022, together with the Notice of AGM and the accompanying Proxy Form, will not be sent to members. Instead, the Annual Report 2022, together with the Notice of AGM and the accompanying Proxy Form, will be sent to members by electronic means via publication on SGXNet and on the Company's website at <http://oxpayfinancial.com>.
- Members will not be allowed to attend the AGM in person. Members (whether individual or corporate) who wish to exercise their voting rights at the AGM may cast their votes remotely in real-time during the AGM or appoint proxies to vote on their behalf remotely in real-time during the AGM. Members may also appoint the Chairman of the Meeting as their proxy to vote on their behalf at the AGM.
- Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore ("Companies Act")) (including those who hold shares under the Supplementary Retirement Scheme) and who wish to participate in the AGM proceedings via electronic means or to appoint proxies to vote must approach their respective relevant intermediaries (including SRS Operators) to submit their instructions by **10 April 2023**, to enable their respective relevant intermediaries to submit proxy forms so that they are received no later than **10.00 a.m. on 17 April 2023**.

I/We _____ (Name) _____ (NRIC/Passport/Registration Number)
of _____ (Address)
being a member/members of **XPAY FINANCIAL LIMITED** (the "Company") hereby appoint:

Name	Address	NRIC/ Passport Number	Email Address	Proportion of Shareholdings (%)

and/or (deleted as appropriate)

Name	Address	NRIC/ Passport Number	Email Address	Proportion of Shareholdings (%)

or failing the person or both of the persons above, the Chairman of the Meeting, as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf, at the AGM to be held by electronic means on Thursday, 20 April 2023 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM or to abstain voting, as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM and at any adjournment thereof except that where the Chairman of the Meeting is appointed as proxy and no specific directions as to voting is given in respect of a resolution, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. The resolutions put to vote at the AGM shall be decided by poll.

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 2022, together with the Directors' Statement and Independent Auditors' Report			
2.	Re-election of Mr Shawn Ching Wei Hung as a director of the Company ("Director")			
3.	Re-election of Mr Ng Weng Sui Harry as a Director			
4.	Re-election of Mr Koh Jin Kit as a Director			
5.	Re-election of Mr Chin Chen Keong as a Director			
6.	Payment of Directors' fees of up to \$240,000 for the financial year ending 31 December 2023			
7.	Re-appointment of KPMG LLP as the Company's independent auditors and authority to the Directors to fix their remuneration			
	Special Business			
8.	Authority to allot and issue shares			
9.	Authority to allot and issue shares under the OxPay Performance Share Plan			
10.	Authority to allot and issue shares under the 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 _____ 2023

Total number of shares held:	
------------------------------	--



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 of Singapore), 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. Members (whether individual or corporate) who wish to exercise their voting rights at the AGM may cast their votes remotely in real-time during the AGM or appoint proxies to vote on their behalf remotely in real-time during the AGM. Members may also appoint the Chairman of the Meeting as their proxy to vote on their behalf at the AGM.
3. Unless otherwise permitted under the Companies Act, a member of the Company entitled to attend, speak and vote at the AGM may appoint not more than two proxies to attend, speak and vote instead of him. A proxy (including the Chairman of the Meeting as proxy) need not be a member of the Company. A member who is a relevant intermediary (as defined in the Companies Act) may 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 member.
4. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the proxy form. Where a member appoints the Chairman of the Meeting as his proxy, he 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.
5. Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (including those who hold shares under the Supplementary Retirement Scheme) and who wish to participate in the AGM proceedings via electronic means or to appoint proxies to vote must approach their respective relevant intermediaries (including SRS Operators) to submit their instructions by **10 April 2023**, to enable their respective relevant intermediaries to submit proxy forms so that they are received no later than **10.00 a.m. on 17 April 2023**.
6. A member (whether individual or corporate) who wishes to submit a proxy form to appoint a proxy or proxies (including the Chairman of the Meeting as proxy) must first download, 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 email to shareregistry@incorp.asia,in either case, to be received no later than **10.00 a.m. on 17 April 2023** (being 72 hours before the time appointed for holding the AGM), failing which the proxy form will be treated as invalid. Members are strongly encouraged to submit completed proxy forms electronically via email.
7. 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.
8. 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.
9. By submitting this proxy form, a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 5 April 2023.

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