



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

**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS FOR THE SIX MONTHS AND FULL YEAR
ENDED 31 DECEMBER 2022
(UNAUDITED)**

This announcement has been prepared by OxPay Financial Limited (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 announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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.

TABLE OF CONTENTS

A.	General Information	3
B.	Condensed interim consolidated statement of profit or loss and other comprehensive income	4
C.	Condensed interim consolidated statement of financial position	6
D.	Condensed interim consolidated statement of changes in equity of the Group and statement of changes in equity of the Company	7
E.	Condensed interim consolidated statement of cash flows	10
F.	Notes to the condensed interim consolidated financial statements	12
G.	Other Supplementary Information Pursuant to Appendix 7C of the Catalist Rules	29

A. General Information

OxPay Financial Limited (the “**Company**” and together with its subsidiaries, the “**Group**”), formerly known as MC Payment Limited, was formed through the acquisition of the entire issued share capital of OxPay SG Pte. Ltd., formerly known as MC Pay Pte. Ltd. (“**OxPay**” and together with its subsidiaries, the “**OxPay Group**”) (the “**RTO**”). The RTO was completed on 18 February 2021 and the Company changed its name to “OxPay Financial Limited” on 2 September 2021.

Please refer to the Company’s Annual Report for the full year ended 31 December 2021 and circular to shareholders dated 31 December 2020 (“**RTO Circular**”) for further details on the RTO and the restructuring exercise.

OxPay Group is engaged in payment technology solution licensing, development and related hardware sales and, or rental, and, electronic payment processing as aggregator and master merchant.

Group Level

Following the completion of the RTO, the wholly owned subsidiary, OxPay, is regarded as the accounting acquirer, and the Company as the accounting acquiree, for accounting purposes. As such, the consolidated financial statements have been prepared and presented as a continuation of the OxPay Group.

Accordingly, the consolidated financial statements of the Group for the six months and full year ended 31 December 2021 have been presented as a continuation of the OxPay Group’s financial results and operations, in accordance with the following:

- 1) The assets and liabilities of the accounting acquirer, the OxPay Group, were recognised and measured in the consolidated statement of financial position at their pre-acquisition carrying amount;
- 2) The assets and liabilities of the accounting acquiree, the Company, were recognised and measured at their acquisition date fair value;
- 3) The retained earnings and other equity balances recognised in the consolidated financial statements of the Group were the retained earnings and other equity balances of the OxPay Group immediately before the RTO; and
- 4) The amount recognised in the issued equity interest in the consolidated financial statements of the Group was computed by adding the issued equity of OxPay immediately before the reverse acquisition to the fair value of the consideration effectively transferred based on the share price of the Company at the acquisition date. However, the equity structure presented in the consolidated financial statements of the Group (i.e. the number and type of equity instruments issued) reflected the effect of the combination.

Following the completion of the RTO, the principal business of the Group is that of the OxPay Group. The consolidated financial statements of the Group have been prepared using the reverse acquisition accounting as set out in SFRS(I) 3 Business Combination, but it does not result in the recognition of goodwill, as the Company was deemed as a cash company under Rule 1017 of the Catalist Rules and did not meet the definition of a business as set out in SFRS(I) 3. Instead, such transaction falls within the scope of SFRS(I) 2 Share-based Payments, which require the deemed shares issued by the legal subsidiary corporation (as consideration for the acquisition of the Company) to be recognised at fair value. Any difference between the consideration sum and the fair value of the Company’s identifiable net assets acquired is treated as cost of obtaining a listing by the legal subsidiary, OxPay, recognised as an expense in the consolidated statement of comprehensive income.

Company Level

Reverse acquisition accounting applies only to the consolidated financial statements at the Group level. As such, the investment in OxPay Group recorded in the Company’s financial statements was accounted for at cost less accumulated impairment losses, if any.

B. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group					
		Second half year ended			Full year ended		
		31-Dec-22	31-Dec-21	+ / (-) %	31-Dec-22	31-Dec-21	+ / (-) %
		(Unaudited)	(Unaudited)		(Unaudited)	(Audited)	
S\$'000	S\$'000		S\$'000	S\$'000			
Revenue	4	3,965	10,853	(63)	9,921	17,544	(43)
Cost of sales		(3,037)	(3,366)	(10)	(7,312)	(7,286)	*
Gross profit		928	7,487	(88)	2,609	10,258	(75)
<i>Gross profit margin</i>		23%	69%		26%	58%	
Other income	5	147	158	(7)	593	424	40
Finance income	9	114	38	N.M.	134	61	N.M.
Administrative expenses	6	(2,679)	(2,832)	(5)	(5,494)	(8,349)	(34)
Impairment loss on trade and other receivables		(71)	(2,204)	(97)	(89)	(2,221)	(96)
Reversal of impairment loss on trade and other receivables		1	-	N.M.	2,288	-	N.M.
Other operating expenses	7	(146)	(394)	(63)	(267)	(594)	(55)
Share of loss of associate		-	-	-	-	(223)	N.M.
Deemed RTO listing expenses	8	-	-	-	-	(26,367)	N.M.
Finance costs	9	(239)	(171)	40	(38)	(350)	(89)
(Loss) / profit before tax		(1,945)	2,082	N.M.	(264)	(27,361)	(99)
Income tax expense	10	(5)	-	N.M.	(5)	-	N.M.
(Loss) / profit after tax		(1,950)	2,082	N.M.	(269)	(27,361)	(99)
(Loss) / profit attributable to:							
Equity holders of the Company		(1,954)	2,311	N.M.	(292)	(27,060)	(99)
Non-controlling interests		4	(229)	N.M.	23	(301)	N.M.
(Loss) / profit for the period / year		(1,950)	2,082	N.M.	(269)	(27,361)	(99)
Other comprehensive income							
Items that are or may be reclassified subsequently to profit or loss:							
Foreign currency translation differences relating to financial statements of foreign subsidiaries		(66)	99	N.M.	(49)	181	N.M.
Total comprehensive (loss) / income for the period / year		(2,016)	2,181	N.M.	(318)	(27,180)	(99)

N.M.: Not meaningful
* Less than 1%

B. Condensed Interim consolidated statement of profit or loss and other comprehensive income (cont'd)

		Group					
		Second half year ended			Full year ended		
		31-Dec-22	31-Dec-21		31-Dec-22	31-Dec-21	
		(Unaudited)	(Unaudited)	+ / (-)	(Unaudited)	(Audited)	+ / (-)
Note		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total comprehensive (loss) / income attributable to:							
	Equity holders of the Company	(2,020)	2,396	N.M.	(328)	(26,900)	(99)
	Non-controlling interests	4	(215)	N.M.	10	(280)	N.M.
	Total comprehensive (loss) / income for the period / year	(2,016)	2,181	N.M.	(318)	(27,180)	(99)
	(Loss) / earnings per share						
	Basic (cents)	12 (0.71)	0.85	N.M.	(0.11)	(11.51)	(99)
	Fully diluted (cents)	12 (0.71)	0.85	N.M.	(0.11)	(11.51)	(99)

N.M.: Not meaningful

C. Condensed interim consolidated statement of financial position

	Notes	Group		Company	
		As at 31-Dec-22 (Unaudited) S\$'000	As at 31-Dec-21 (Audited) S\$'000	As at 31-Dec-22 (Unaudited) S\$'000	As at 31-Dec-21 (Audited) S\$'000
Assets					
Property, plant and equipment	13	170	192	-	-
Intangible assets and goodwill	14	330	324	-	-
Investment in subsidiaries		-	-	10,600	10,600
Investment in associate		-	-	-	-
Trade and other receivables		16	13	-	-
Non-current assets		516	529	10,600	10,600
Cash and cash equivalents (#)		22,105	26,449	45	494
Trade and other receivables		3,672	3,522	31	27
Current assets		25,777	29,971	76	521
Total assets		26,293	30,500	10,676	11,121
Equity					
Share capital	16	55,757	55,218	170,474	169,935
Currency translation reserve		107	143	-	-
Capital reserves		2,896	2,896	*	*
Other reserves		-	-	2,515	2,515
Accumulated losses		(52,743)	(52,370)	(163,118)	(162,557)
Equity attributable to equity holders of the Company		6,017	5,887	9,871	9,893
Non-controlling interests		(361)	(453)	-	-
Total equity		5,656	5,434	9,871	9,893
Liabilities					
Loans and borrowings	15	-	24	-	-
Non-current liabilities		-	24	-	-
Trade and other payables		20,604	24,410	805	669
Loans and borrowings	15	28	632	-	559
Income tax payable		5	-	-	-
Current liabilities		20,637	25,042	805	1,228
Total liabilities		20,637	25,066	805	1,228
Total equity and liabilities		26,293	30,500	10,676	11,121

As at 31 December 2022, included in the cash and cash equivalents is an amount of S\$16.4 million (31 December 2021: S\$21.8 million) which has been earmarked for settlement of merchant funding.

* Amount less than S\$1,000.

D. Condensed interim consolidated statement of changes in equity of the Group and statement of changes in equity of the Company

	Attributable to owners of the Company				Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Currency translation reserve S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000			
The Group							
At 1 January 2022 (Audited)	55,218	143	2,896	(52,370)	5,887	(453)	5,434
Total comprehensive (loss) / income for the year							
(Loss) / profit for the year	-	-	-	(292)	(292)	23	(269)
Other comprehensive loss							
Foreign currency translation differences	-	(36)	-	-	(36)	(13)	(49)
Total other comprehensive loss	-	(36)	-	-	(36)	(13)	(49)
Total comprehensive (loss) / income for the year	-	(36)	-	(292)	(328)	10	(318)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares for cash	512	-	-	-	512	-	512
Issue of share award	46	-	-	-	46	-	46
Share issue expense	(19)	-	-	-	(19)	-	(19)
Contribution by non-controlling interest	-	-	-	-	-	21	21
Transaction with non-controlling interest	-	-	-	(81)	(81)	61	(20)
Total changes in ownership interests in subsidiaries	539	-	-	(81)	458	82	540
At 31 December 2022 (unaudited)	55,757	107	2,896	(52,743)	6,017	(361)	5,656

D. Condensed interim consolidated statement of changes in equity of the Group and statement of changes in equity of the Company

	Attributable to owners of the Company				Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Currency translation reserve S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000			
The Group							
At 1 January 2021 (Audited)	22,069	(17)	2,896	(25,310)	(362)	(173)	(535)
Total comprehensive income / (loss) for the year							
Loss for the year	-	-	-	(27,060)	(27,060)	(301)	(27,361)
Other comprehensive income							
Foreign currency translation differences	-	160	-	-	160	21	181
Total other comprehensive income	-	160	-	-	160	21	181
Total comprehensive income / (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)
Share-based payments – employees incentive scheme	234	-	-	-	234	-	234
Share-based payments – sponsor equity shares pursuant to the RTO	1,239	-	-	-	1,239	-	1,239
Share-based payments – introducer fees pursuant to the RTO paid using OxPay's ordinary shares	2,400	-	-	-	2,400	-	2,400
Total changes in ownership interests in subsidiaries	33,149	-	-	-	33,149	-	33,149
At 31 December 2021 (Audited)	55,218	143	2,896	(52,370)	5,887	(453)	5,434

D. Condensed interim consolidated statement of changes in equity of the Group and statement of changes in equity of the Company

	Share capital S\$'000	Share-based compensation reserve S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
<u>The Company</u>					
At 1 January 2022 (Audited)	169,935	2,515	*	(162,557)	9,893
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)
- share award on 23 September 2022	46	-	-	-	46
- share issue expenses for share award on 23 September 2022	(1)	-	-	-	(1)
Total comprehensive loss for the year	-	-	-	(561)	(561)
At 31 December 2022 (Unaudited)	170,474	2,515	*	(163,118)	9,871
At 1 January 2021 (Audited)	71,777	2,515	*	(85,006)	(10,714)
Issuance of new shares pursuant to:					
- Placement shares on 28 January 2021	600	-	-	-	600
- the acquisition of the OxPay Group	82,806	-	-	-	82,806
- redemption of convertible bonds and its associated interest payable	10,000	-	-	-	10,000
- share-based payment to sponsor	1,239	-	-	-	1,239
- share-based payment to employees	234	-	-	-	234
- placement shares on 12 March 2021	4,000	-	-	-	4,000
- share issue expenses for placement shares on 12 March 2021	(721)	-	-	-	(721)
Total comprehensive loss for the year	-	-	-	(77,551)	(77,551)
At 31 December 2021 (Audited)	169,935	2,515	*	(162,557)	9,893

* Amount less than S\$1,000

E. Condensed interim consolidated statement of cash flows

	Group	
	Full year ended	
	31-Dec-22 (Unaudited) S\$'000	31-Dec-21 (Audited) S\$'000
<u>Cash flows from operating activities</u>		
Loss before tax for the year	(264)	(27,361)
Adjustments for:		
Amortisation of intangible assets	113	293
Deemed RTO listing expenses	-	26,367
Depreciation of property, plant and equipment	118	107
Gain from early redemption of convertible bonds	-	(97)
Impairment loss on intangible assets	19	193
Impairment loss on trade and other receivables	89	2,221
Reversal of impairment loss on trade and other receivables	(2,288)	-
Interest income	(134)	(61)
Interest expense	17	110
Share of loss of associate	-	223
Share-based payments - Employees	46	234
Share-based payments - Sponsor equity shares (Note 16.6)	-	1,239
Share-based payments - Introducer shares (Note 16.9)	-	2,400
Gain on debt settlement	(102)	-
Unrealised foreign exchange losses	(84)	271
	<u>(2,470)</u>	<u>6,139</u>
Changes in working capital:		
Trade and other receivables	(91)	1,463
Trade and other payables	(1,410)	12,826
Cash (used in) / generated from operations	<u>(3,971)</u>	<u>20,428</u>
Interest income	64	61
Interest paid	-	(428)
Net cash (used in) / generated from operating activities	<u>(3,907)</u>	<u>20,061</u>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(81)	(78)
Purchase of intangible assets	(138)	-
Additional investment in associate	-	(223)
Net cash inflow from reverse acquisition	-	1,467
Net cash (used in) / generated from investing activities	<u>(219)</u>	<u>1,166</u>

E. Condensed interim consolidated statement of cash flows

	Group	
	Full year ended	
	31-Dec-22 (Unaudited) S\$'000	31-Dec-21 (Unaudited) S\$'000
<u>Cash flows from financing activities</u>		
Repayment of lease liabilities	(89)	(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	493	3,279
Capital contribution from non-controlling interest	21	-
Transaction with non-controlling interest	(20)	-
Net cash (used in) / generated from financing activities	(171)	1,832
Net (decrease) / increase in cash and cash equivalents	(4,297)	23,059
Effect of exchange rate fluctuations on cash held	(47)	(89)
Cash and cash equivalents at beginning of financial year	26,449	3,479
Cash and cash equivalents at end of financial year	22,105	26,449

F. Notes to the condensed interim consolidated financial statements

These notes form an integral part of the condensed interim consolidated financial statements.

1 Corporate information

OxPay Financial Limited (the “**Company**”) is a company incorporated in Singapore. The address of the Company’s registered office is 10 Ubi Crescent, #03-48, Ubi Techpark, Singapore 408564.

This condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2022 comprise the Company and its subsidiaries. Please refer to the section on “General Information” on page 3 for more information.

The principal activities of the Group are to carry on payment technology solution licensing, development and related hardware sales and, rental, and electronic payment processing as aggregator and master merchant.

2 Basis of Preparation

The condensed interim consolidated financial statements for the six months and full year ended 31 December 2022 (“**2H2022**” and “**FY2022**”) and for the corresponding six months and full year ended 31 December 2021 (“**2H2021**” and “**FY2021**”), have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore and should be read in conjunction with the financial statements of OxPay Group as disclosed in the RTO Circular. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last condensed interim consolidated financial statements for the six months ended 30 June 2022.

The accounting policies and methods of computations adopted are consistent with those adopted by the Company in its most recently audited consolidated financial statements for FY2021, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1 of the condensed interim consolidated financial statements.

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

F. Notes to the condensed interim consolidated financial statements

2.1 New and amended standards adopted by the Group

The Group and the Company have adopted all the new and revised SFRS(I)s and SFRS(I) Interpretations that are relevant to its operations and effective for the annual period beginning on 1 January 2022. The adoption of these new and revised SFRS(I)s and SFRS(I) Interpretations has no material effect on the performance and financial position of the Group and of the Company for the current financial period reported on. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

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.

3 Seasonal operations

The Group's merchant payment services ("**MPS**") business segment is subject to seasonal fluctuations in line with those experienced by the merchants which it services. These customers of the Group in the MPS segment typically experience higher sales and transaction volumes during public holidays and festive seasons. Accordingly, more payments are processed before and during public holidays and festive seasons which translate to a higher amount of payment processing fees being collected by the Group. The Group's digital commerce enabling solutions ("**DCES**") business segment is not affected by any seasonal changes in demand.

F. Notes to the condensed interim consolidated financial statements

4 Segment and revenue information

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

- 4.1 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.
- 4.2 DCES business segment – The Group provides its ancillary services, such as the sale and lease of smart POS terminals, provision of proprietary and licensed software as a service, and white-labelling of its proprietary or licenced software, and development of bespoke software for its merchants.
- 4.3 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.

These operating segments are reported in a manner consistent with internal management reporting provided to the Managing Director who is responsible for allocating resources and assessing performance of the operating segments.

4.1 Reportable segments

	Group			
	Second half year ended 31 December 2022			
	MPS	DCES	Unallocated	Consolidated
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	S\$'000	S\$'000	S\$'000	S\$'000
Total segment revenue	1,488	2,477	-	3,965
Inter-segment revenue	-	-	-	-
Revenue from external parties	1,488	2,477	-	3,965
Depreciation	(47)	(14)	-	(61)
Amortisation	(56)	-	-	(56)
Finance income	113	1	-	114
Finance costs	(317)	(4)	82	(239)
Segment loss	(1,716)	(16)	(213)	(1,945)
Other material non-cash items:				
Impairment loss on trade and other receivables	(64)	(7)	-	(71)
Reversal of impairment loss on trade and other receivables	1	-	-	1
Reportable segment assets	25,770	523	-	26,293
Reportable segment liabilities	(20,411)	(226)	-	(20,637)
Capital expenditure	162	24	-	186

F. Notes to the condensed interim consolidated financial statements

4.1 Reportable segments (cont'd)

	Group			
	Full year ended 31 December 2022			
	MPS (Unaudited) S\$'000	DCES (Unaudited) S\$'000	Unallocated (Unaudited) S\$'000	Consolidated (Unaudited) S\$'000
Total segment revenue	4,864	5,057	-	9,921
Inter-segment revenue	-	-	-	-
Revenue from external parties	4,864	5,057	-	9,921
Depreciation	(92)	(26)	-	(118)
Amortisation	(112)	(1)	-	(113)
Finance income	132	2	-	134
Finance costs	(99)	5	56	(38)
Segment profit / (loss)	111	81	(456)	(264)
Other material non-cash items:				
Impairment loss on trade and other receivables	(82)	(7)	-	(89)
Reversal of impairment loss on trade and other receivables	2,259	29	-	2,288
Reportable segment assets	25,770	523	-	26,293
Reportable segment liabilities	(20,411)	(226)	-	(20,637)
Capital expenditure	195	43	-	238

F. Notes to the condensed interim consolidated financial statements

4.1 Reportable segments (cont'd)

	Group			
	Second half year ended 31 December 2021			
	MPS (Unaudited) S\$'000	DCES (Unaudited) S\$'000	Unallocated (Unaudited) S\$'000	Consolidated (Unaudited) S\$'000
Total segment revenue	7,625	3,228	-	10,853
Inter-segment revenue	-	-	-	-
Revenue from external parties	7,625	3,228	-	10,853
Depreciation	(33)	(21)	-	(54)
Amortisation	(112)	(34)	-	(146)
Finance income	37	1	-	38
Finance costs	(169)	(1)	(1)	(171)
Segment profit	1,835	38	209	2,082
Share of loss of associate	-	-	-	-
Other material non-cash items:				
Impairment loss on trade and other receivables	(2,138)	(66)	-	(2,204)
Reportable segment assets	29,683	310	507	30,500
Reportable segment liabilities	(23,731)	(107)	(1,228)	(25,066)
Capital expenditure	39	29	-	68

F. Notes to the condensed interim consolidated financial statements

4.1 Reportable segments (cont'd)

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

F. Notes to the condensed interim consolidated financial statements

4.2 Disaggregation of revenue

	Group			
	Second half year ended 31 December 2022			
	MPS (Unaudited) S\$'000	DCES (Unaudited) S\$'000	Others (Unaudited) S\$'000	Consolidated (Unaudited) S\$'000
Types of goods or services				
Transaction revenue	1,311	-	-	1,311
Sales of services	-	2,477	-	2,477
Other revenue	177	-	-	177
	1,488	2,477	-	3,965
Timing of revenue recognition where performance obligations are:				
Satisfied at a point in time	1,482	3	-	1,485
Satisfied over time	6	2,474	-	2,480
	1,488	2,477	-	3,965
Geographical information				
Singapore	843	15	-	858
Malaysia	141	2,462	-	2,603
Thailand	504	*	-	504
	1,488	2,477	-	3,965

	Group			
	Full year ended 31 December 2022			
	MPS (Unaudited) S\$'000	DCES (Unaudited) S\$'000	Others (Unaudited) S\$'000	Consolidated (Unaudited) S\$'000
Types of goods or services				
Transaction revenue	3,945	-	-	3,945
Sales of services	-	5,057	-	5,057
Other revenue	919	-	-	919
	4,864	5,057	-	9,921
Timing of revenue recognition where performance obligations are:				
Satisfied at a point in time	4,845	5	-	4,850
Satisfied over time	19	5,052	-	5,071
	4,864	5,057	-	9,921
Geographical information				
Singapore	3,370	82	-	3,452
Malaysia	273	4,975	-	5,248
Thailand	1,221	*	-	1,221
	4,864	5,057	-	9,921

* Amount less than S\$1,000.

F. Notes to the condensed interim consolidated financial statements

4.2 Disaggregation of revenue (cont'd)

	Group Second half year ended 31 December 2021			
	MPS (Unaudited) S\$'000	DCES (Unaudited) S\$'000	Others (Unaudited) S\$'000	Consolidated (Unaudited) S\$'000
Types of goods or services				
Transaction revenue	5,038	-	-	5,038
Sales of services	-	3,229	-	3,229
Other revenue	2,586	-	-	2,586
	7,624	3,229	-	10,853
Timing of revenue recognition where performance obligations are:				
Satisfied at a point in time	7,405	3	-	7,408
Satisfied over time	219	3,226	-	3,445
	7,624	3,229	-	10,853
Geographical information				
Singapore	7,432	405	-	7,837
Malaysia	126	2,824	-	2,950
Thailand	66	*	-	66
	7,624	3,229	-	10,853

	Group Full year ended 31 December 2021			
	MPS (Unaudited) S\$'000	DCES (Unaudited) S\$'000	Others (Unaudited) S\$'000	Consolidated (Unaudited) S\$'000
Types of goods or services				
Transaction revenue	7,685	-	-	7,685
Sales of services	-	6,011	-	6,011
Other revenue	3,848	-	-	3,848
	11,533	6,011	-	17,544
Timing of revenue recognition where performance obligations are:				
Satisfied at a point in time	11,250	3	-	11,253
Satisfied over time	283	6,008	-	6,291
	11,533	6,011	-	17,544
Geographical information				
Singapore	11,194	577	-	11,771
Malaysia	216	5,434	-	5,650
Thailand	123	*	-	123
	11,533	6,011	-	17,544

* Amount less than S\$1,000.

F. Notes to the condensed interim consolidated financial statements

	Group					
	Second half year ended			Full year ended		
	31-Dec-22	31-Dec-21	+ / (-) %	31-Dec-22	31-Dec-21	+ / (-) %
	(Unaudited)	(Unaudited)		(Unaudited)	(Audited)	
S\$'000	S\$'000		S\$'000	S\$'000		
5 Other income						
Government grants	98	107	(8)	404	217	86
Gain from early redemption of convertible bonds	-	-	-	-	97	N.M.
Sundry income	49	51	(4)	189	110	72
	<u>147</u>	<u>158</u>	<u>(7)</u>	<u>593</u>	<u>424</u>	<u>40</u>

	Group					
	Second half year ended			Full year ended		
	31-Dec-22	31-Dec-21	+ / (-) %	31-Dec-22	31-Dec-21	+ / (-) %
	(Unaudited)	(Unaudited)		(Unaudited)	(Audited)	
S\$'000	S\$'000		S\$'000	S\$'000		
6 Administrative expenses						
Employee compensation	1,544	1,724	(10)	3,110	2,845*	9
Professional services fees	283	219	29	721	489	47
Occupancy costs	7	8	(13)	15	18	(17)
Directors' fees	73	34	N.M.	193	109	77
RTO listing expenses	-	-	-	-	3,393#	N.M.
SGX listing and related expenses	15	23	(35)	26	38	(32)
Other administrative expenses	757	824	(8)	1,429	1,457	(2)
	<u>2,679</u>	<u>2,832</u>	<u>(5)</u>	<u>5,494</u>	<u>8,349</u>	<u>(34)</u>

* Included a share issue expense of S\$0.23 million to incentivise the employees to complete the RTO.

Included share-based payments - sponsor equity shares pursuant to the RTO (Note 16.6) and introducer shares pursuant to the RTO paid using OxPay's ordinary shares (Note 16.9), net of consolidation adjustments.

	Group					
	Second half year ended			Full year ended		
	31-Dec-22	31-Dec-21	+ / (-) %	31-Dec-22	31-Dec-21	+ / (-) %
	(Unaudited)	(Unaudited)		(Unaudited)	(Audited)	
S\$'000	S\$'000		S\$'000	S\$'000		
7 Other operating expenses						
Amortisation of intangible assets	56	146	(62)	113	293	(61)
Depreciation of property, plant and equipment	61	54	13	118	107	10
Impairment loss on intangible assets	19	193	N.M.	19	193	N.M.
Travelling and accommodation expenses	10	1	N.M.	17	1	N.M.
	<u>146</u>	<u>394</u>	<u>(63)</u>	<u>267</u>	<u>594</u>	<u>(55)</u>

F. Notes to the condensed interim consolidated financial statements

8 Deemed RTO listing expenses

This refers to the difference between fair value of net liabilities assumed by the Group and fair value of consideration transferred. As the Company had disposed of all its businesses prior to the completion of the RTO, the reverse take-over was not considered as a business combination within the meaning of SFRS(I) 3 - Business Combination. The acquisition of the OxPay Group was considered a reverse acquisition along with share-based payment in accordance with SFRS(I) 2 – Share-based Payment.

	Group					
	Second half year ended			Full year ended		
	31-Dec-22	31-Dec-21	+ / (-) %	31-Dec-22	31-Dec-21	+ / (-) %
	(Unaudited) S\$'000	(Unaudited) S\$'000		(Unaudited) S\$'000	(Audited) S\$'000	
9 Finance income and costs						
Interest income arising from financial assets measured at amortised cost	114	38	N.M.	134	61	N.M.
Total finance income	114	38	N.M.	134	61	N.M.
Foreign exchange loss	238	139	71	21	240	(91)
Interest expense on loans	-	29	N.M.	14	49	(71)
Interest expense on convertible bonds	-	-	-	-	56	N.M.
Interest expense on leases	1	3	(67)	3	5	(40)
Total finance costs	239	171	40	38	350	(89)

10 Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group					
	Second half year ended			Full year ended		
	31-Dec-22	31-Dec-21	+ / (-) %	31-Dec-22	31-Dec-21	+ / (-) %
	(Unaudited) S\$'000	(Unaudited) S\$'000		(Unaudited) S\$'000	(Audited) S\$'000	
Current:						
- Adjustment in respect of prior year	5	-	N.M.	5	-	N.M.

11 Net asset value

	Group		Company	
	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
Net asset value per ordinary share (S\$ cents)	2.18	2.16	3.58	3.63
No. of ordinary shares	275,843,137	272,248,881	275,843,137	272,248,881

F. Notes to the condensed interim consolidated financial statements

	Group			
	Second half year ended		Full year ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
12 (Loss) / earnings per share				
Net (loss) / profit attributable to equity holders of the Company (S\$'000)	(1,954)	2,311	(292)	(27,060)
Weighted average number of ordinary shares outstanding for basic (loss) / earnings per share	275,685,631	272,248,881	274,568,745	235,097,661
Weighted average number of ordinary shares outstanding for diluted (loss) / earnings per share	275,685,631	272,248,881	274,568,745	235,097,661
(a) Basic (loss) / earnings per share (S\$ cents)	(0.71)	0.85	(0.11)	(11.51)
(b) Diluted (loss) / earnings per share (S\$ cents)	(0.71)	0.85	(0.11)	(11.51)

12.1 (Loss) / earnings per share for 2H2022, 2H2021 and FY2022

The (loss) / earnings per share for each of 2H2022, 2H2021 and FY2022 has been calculated on the following basis:

$$\text{Basic (loss) / earnings per share} = A / B \times 100$$

where,

A = (Loss) / profit attributable to equity holders of the Company for the respective financial period

B = Weighted average number of shares of the Company for the respective financial period

12.2 Loss per share for FY2021

The loss per share for FY2021 has been calculated on the following basis:

$$\text{Basic loss per share} = A / (B + C) \times 100$$

where,

A = Loss attributable to equity holders of the Company

B = Weighted average number of shares of OxPay from 1 January 2021 to 17 February 2021 multiplied by the RTO Exchange Ratio¹

C = Weighted average number of shares of the Company from 18 February 2021 to 31 December 2021

12.3 Diluted (loss) / earnings per share

For the purpose of calculating diluted (loss) / earnings per share, the weighted average number of ordinary shares in issue are adjusted for the dilutive effects of potential ordinary share issues for the respective financial period.

¹ The Company acquired OxPay on 18 February 2021 by issuing 157,725,296 new shares (post-consolidation basis) to acquire the entire share capital of OxPay which comprised 2,292,358 ordinary shares. This translates to an exchange ratio of 68.804827 times (the "RTO Exchange Ratio").

F. Notes to the condensed interim consolidated financial statements

13 Property, plant and equipment

Group	Computer Software and equipment	Office equipment, Furniture & Fittings and Renovation	Payment terminals	Motor vehicles	Leased office space	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cost						
Balance as at 1 January 2022	774	106	912	36	154	1,982
Additions	11	1	69	-	19	100
Disposal	-	-	*	-	(20)	(20)
Effect of movements in exchange rate	(1)	*	(2)	(2)	(1)	(6)
Balance as at 31 December 2022	784	107	979	34	152	2,056
Accumulated depreciation						
Balance as at 1 January 2022	715	102	875	36	62	1,790
Depreciation charge	22	2	10	-	84	118
Disposal	-	-	-	-	(20)	(20)
Effect of movements in exchange rate	*	*	*	(2)	*	(2)
Balance as at 31 December 2022	737	104	885	34	126	1,886
Carrying amounts						
Balance as at 31 December 2021	59	4	37	-	92	192
Balance as at 31 December 2022	47	3	94	-	26	170

* Amount less than S\$1,000.

Company

The Company does not have any property, plant and equipment as at 31 December 2022 and 31 December 2021.

F. Notes to the condensed interim consolidated financial statements

14 Intangible assets and goodwill

Group	Goodwill S\$'000	Patent and Trademark S\$'000	Software Development S\$'000	Total S\$'000
Cost				
Balance as at 1 January 2022	541	104	4,224	4,869
Additions	-	-	138	138
Balance as at 31 December 2022	541	104	4,362	5,007
Accumulated amortisation and impairment losses				
Balance as at 1 January 2022	541	84	3,920	4,545
Amortisation charge	-	8	105	113
Impairment	-	-	19	19
Balance as at 31 December 2022	541	92	4,044	4,677
Carrying amounts				
Balance as at 31 December 2021	-	20	304	324
Balance as at 31 December 2022	-	12	318	330

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 businesses and merchants to facilitate payments using their own mobile devices.

As at the reporting date, the management of the Company had carried out a review of the recoverable amount of the intangible assets. As at 31 December 2022, out of these 20 internally developed software solutions, an impairment of S\$19,000 (31 December 2021: S\$193,000) was made. 18 of these software solutions were impaired in prior years and an additional software solution was impaired during the year.

Company

The Company does not have any intangible assets and goodwill as at 31 December 2022 and 31 December 2021.

F. Notes to the condensed interim consolidated financial statements

15 Loans and borrowings

Group	As at 31-Dec-2022 (Unaudited)		As at 31-Dec-2021 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one (1) year or less, or on demand				
Loan from a shareholder	-	-	-	559
Lease payable	-	28	-	73
Amount repayable after one (1) year				
Lease payable	-	-	-	24

Notes on the Group's Loans and Borrowings

Loan from a shareholder as at 31 December 2021 relates to unsecured loans amounting to an aggregate of S\$559,450, at an interest rate of 10% per annum granted by the Company's controlling shareholder, Mr Ching Chiat Kwong ("**Mr Ching**"). The loan was fully repaid during the financial year.

Lease payable as at 31 December 2022 relates to the leases for two offices for periods of one to two years ending 31 March 2023 and 30 April 2023 respectively.

Lease payable as at 31 December 2021 relates to the leases for two offices for a period of two years ended/ending 31 March 2022 and 30 April 2023 respectively.

Details of any collateral

As at 31 December 2022 and 31 December 2021, the Group's fixed deposit of US\$2,000,000 was pledged to a bank for an overdraft facility, a banker's guarantee, and a standby letter of credit facility. An amount of S\$660,000 under the standby letter of credit facility and S\$200,000 under the banker's guarantee was utilised for security deposit required by a payment acquirer and the Monetary Authority of Singapore respectively.

F. Notes to the condensed interim consolidated financial statements

16 Share Capital

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 regards to the Company's residual assets. The following tables set out the share capital movements during the financial period and comparative period.

		Company 2022	
	Note	No. of shares	S\$'000
Issued and fully paid ordinary shares, with no par value:			
At 1 January 2022		272,248,881	169,935
Issue of ordinary shares for cash	16.1	3,251,119	494
At 30 June 2022		275,500,000	170,429
Issue of ordinary shares pursuant to vesting of share award	16.2	343,137	45
At 31 December 2022		<u>275,843,137</u>	<u>170,474</u>

		Company 2021	
	Note	No. of shares	S\$'000
Issued and fully paid ordinary shares, with no par value:			
At 1 January 2021		1,797,792,986	71,777
Placement shares issued on 28 January 2021	16.3	62,305,295	600
Balance before share consolidation		<u>1,860,098,281</u>	<u>72,377</u>
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:			
Shares issued to acquire the entire share capital of OxPay	16.4	157,725,296	82,806
Shares issued to redeem the convertible bonds and its associated interest payable	16.5	64,516,129	10,000
Shares issued to pay to the Sponsor as part payment for its services in relation to the RTO	16.6	2,360,000	1,239
Shares issued to employees of OxPay as incentive payment	16.7	445,520	234
Placement shares issued on 12 March 2021	16.8	10,000,000	3,279
Subtotal		<u>235,046,945</u>	<u>97,558</u>
At 31 December 2021		<u>272,248,881</u>	<u>169,935</u>

F. Notes to the condensed interim consolidated financial statements

	Note	Group 2022
		S\$'000
Issued and fully paid ordinary shares, with no par value:		
At 1 January 2022		55,218
Issue of ordinary shares for cash	16.1	512
Share issue expense	16.1	(18)
Issue of ordinary shares pursuant to vesting of share award	16.2	46
Share issue expense	16.2	(1)
Subtotal		<u>539</u>
At 31 December 2022		<u>55,757</u>

	Note	Group 2021
		S\$'000
Issued and fully paid ordinary shares, with no par value:		
At 1 January 2021		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	16.6	1,239
Share-based payments – employees incentive scheme	16.7	234
Issue of ordinary shares for cash	16.8	4,000
Share issue expense	16.8	(721)
Share-based payments – introducer fees pursuant to the RTO paid by using OxPay's ordinary shares	16.9	2,400
Subtotal		<u>33,149</u>
At 31 December 2021		<u>55,218</u>

16.1 Placement shares issued on 4 May 2022

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

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

On 23 September 2022, 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 S\$0.134 each. The direct expenses relating to the issuance of new shares pursuant to the vesting of share award was S\$1,150.

F. Notes to the condensed interim consolidated financial statements

16.3 Placement shares issued on 28 January 2021

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

Shares issued on 18 February 2021 pursuant to the RTO

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

- 16.4 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 the total consideration of S\$82,805,780, the Company allotted and issued 157,725,296 ordinary shares to the shareholders of OxPay at an issue price of S\$0.525 per share.
- 16.5 in full satisfaction of the redemption of the outstanding convertible bonds of S\$6,875,000 and its associated interest payable of S\$3,291,952 as at 18 February 2021, the Company allotted and issued 64,516,129 ordinary shares to Mr Ching at an issue price of S\$0.155 per share.
- 16.6 allotted and issued 2,360,000 ordinary shares at an issue price of S\$0.525 per share to the Company's sponsor, being part of the sponsor's fees for its services in relation to the RTO.
- 16.7 allotted and issued 445,520 ordinary shares at an issue price of S\$0.525 per share to certain employees of OxPay as an incentive payment to recognise their contributions to OxPay in relation to the RTO.

16.8 Placement shares issued on 12 March 2021

On 12 March 2021, the Company completed the placement of 10,000,000 new ordinary shares at the issue price of S\$0.40 per new share to new investors, raising gross proceeds of S\$4,000,000. Net proceeds received after deducting direct expenses relating to the placement was S\$3,279,000.

- 16.9 OxPay paid for the introducer fees of S\$2.4 million by issuing 61,491 ordinary shares of OxPay at the issue price of S\$39.03 per share. These shares were exchanged to the shares in the Company as part of the consideration mentioned in paragraph 16.4 above.

17 Subsequent Events

There are no known subsequent events which have led to adjustments to this set of condensed interim consolidated financial statements.

G. Other Supplementary Information Pursuant to Appendix 7C of the Catalyst Rules

1 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 31 December 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, statement of changes in equity of the Company and condensed consolidated statement of cashflow for the six months and full year ended 31 December 2022 and explanatory notes have not been audited or reviewed by the Company's auditors.

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

Not applicable.

3 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Company's latest audited financial statements for the financial year ended 31 December 2021 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the Company's auditors.

4 Additional disclosures on securities issued by the issuer

4.1 Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Please refer to Note 16 in Section F - Notes to the condensed interim consolidated financial statements of this report for the details of the changes in share capital of the Company for FY2022.

Save as disclosed above, the Company did not have any treasury shares, subsidiary holdings or other convertibles as at 31 December 2022 and 31 December 2021.

G. Other Supplementary Information Pursuant to Appendix 7C of the Catalyst Rules

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

	As at 31 December 2022	As at 31 December 2021
Number of issued shares excluding treasury shares	275,843,137	272,248,881

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

- 4.3 A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company does not have any treasury shares during and as at the end of the current financial period reported on.

- 4.4 A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company does not have any subsidiary holdings during and as at the end of the current financial period reported on.

G. Other Supplementary Information Pursuant to Appendix 7C of the Catalyst Rules

5 Review of performance of the Group

a. Condensed interim consolidated statement of profit or loss and other comprehensive income of the Group

The Group recorded a net loss of S\$2.0 million in 2H2022, as compared to a net profit of S\$2.1 million in 2H2021, and a net loss of S\$0.3 million in FY2022, as compared to a net loss of S\$27.4 million in FY2021.

The following are the key factors contributing to the Group's results for 2H2022 and FY2022, as compared to the same period in 2H2021 and FY2021:

- a. Revenue decreased by 63% or S\$6.9 million in 2H2022, from S\$10.9 million in 2H2021 to S\$4.0 million in 2H2022. In FY2022, revenue decreased by 43% or S\$7.6 million, from S\$17.5 million in FY2021 to S\$9.9 million in FY2022. The decrease in revenue in both 2H2022 and FY2022 was mainly due to the decrease in sales for both the MPS and DCES business segments, resulting from the loss of a key merchant in Singapore.

In 2H2022, revenue from the Thailand operations increased by S\$0.4 million, which was partially offset by a decrease in revenue from the Singapore and Malaysia operations of S\$7.0 million and S\$0.3 million, respectively, as compared to 2H2021. The decrease in revenue from the Malaysia operations was mainly due to the unfavourable MYR/SGD exchange rate movement despite of the improvement in processed volume for the Malaysia operations.

In FY2022, revenue from the Thailand operations increased by S\$1.1 million, which was partially offset by a decrease in revenue from the Singapore and Malaysia operations of S\$8.3 million and S\$0.4 million respectively, as compared to FY2021. The decrease in revenue from the Malaysia operations was due mainly to the unfavourable MYR/SGD exchange rate movement despite of the improvement in processed volume for the Malaysia operations.

- b. Gross profit margin decreased from 69% in 2H2021 to 23% in 2H2022, and from 58% in FY2021 to 26% in FY2022. Overall gross profit had decreased by 88% or S\$6.6 million, and by 75% or S\$7.6 million for 2H2022 and FY2022 respectively, as compared to 2H2021 and FY2021. This was mainly due to the decrease in revenue from high margin merchants.
- c. Other income decreased by 7% in 2H2022 and increased by 40% in FY2022, as compared to 2H2021 and FY2021 respectively. The decrease in 2H2022 was mainly due to the decrease in government grants. The increase in FY2022 was mainly due to the increase in government grants and sundry income, partially offset by the absence of a one-off gain from early redemption of convertible bonds, which was recognised in FY2021 after the convertible bonds have been fully paid in the same period.
- d. Finance income increased by S\$0.1 million in each of 2H2022 and FY2022, as compared to 2H2021 and FY2021. This was mainly due to excess funds being placed in short-term fixed deposits in 2H2022.
- e. Administrative expenses decreased by S\$0.2 million in 2H2022, as compared to 2H2021, which was mainly due to a decrease in employee compensation, and other administrative expenses, partially offset by an increase in professional services and legal fees. In FY2022, administrative expenses decreased by S\$2.8 million, from S\$8.3 million in FY2021 to S\$5.5 million in FY2022. The decrease in administrative expenses was mainly due to the absence of one-time RTO listing expenses of S\$3.4 million, partially offset by the increase in employee compensation and professional services fees.
- f. Impairment loss on trade and other receivables decreased from S\$2.2 million in 2H2021 and FY2021 to S\$0.1 million in 2H2022 and FY2022. The reversal of impairment loss on trade and other receivables of S\$2.3 million in FY2022 was mainly due to the entry of an

G. Other Supplementary Information Pursuant to Appendix 7C of the Catalyst Rules

- agreement with the debtor of a previously impaired receivables to assign the said debt to a related party of the debtor.
- g. Other operating expenses decreased from S\$0.4 million in 2H2021 to S\$0.1 million in 2H2022, and from S\$0.6 million in FY2021 to S\$0.3 million in FY2022. This was mainly due to the decrease in amortisation of intangible assets of S\$0.1 million and S\$0.2 million in 2H2022 and FY2022 respectively, and the absence of impairment loss on intangible assets of S\$0.2 million in both 2H2021 and FY2021.
 - h. Share of loss of associate amounted to S\$0.2 million in FY2021, which arose from losses incurred by PT MCP Indo Utama in the first half of FY2021 (“1H2021”). There was no such share of loss of associate incurred in FY2022.
 - i. Deemed RTO listing expenses recorded in 1H2021 of S\$26.4 million refers to the difference between fair value of net liabilities assumed by the Group and fair value of consideration transferred. The fair value of the consideration transferred is the deemed consideration paid by OxPay for the acquisition of the Company. This is required and stipulated by SFRS(I).
 - j. Finance costs increased by 40% in 2H2022 as compared to 2H2021, mainly due to the increase in foreign exchange loss as a result of declining USD against SGD for 2H2022, partially offset by the decrease in interest expense on loans from a controlling shareholder which has been fully repaid in the first half of FY2022 (“1H2022”). The decrease in finance costs of S\$0.3 million in FY2022 as compared to FY2021 was mainly due to the decrease in (i) foreign exchange loss of S\$0.2 million as a result of lower USD against SGD for the year; and (ii) interest expenses on loans from a controlling shareholder and interest expenses on convertible bonds which have been fully repaid in 1H2022 and FY2021 respectively.

b. Condensed interim consolidated statement of financial position

As at 31 December 2022, the net asset value attributable to equity holders of the Company stood at S\$6.0 million, representing an increase of S\$0.1 million from 31 December 2021. This increase was mainly due to the net proceeds of S\$0.5 million from the placement of 3,251,119 new ordinary shares at S\$0.1575 per share on 4 May 2022, which was partially offset by the S\$0.3 million loss recorded by the Group in FY2022 and S\$0.1 million loss incurred as a result of the acquisition of the remaining 10% shareholding in Genesis Payment Solutions Private Limited from its minority shareholder.

The Group reported a higher positive working capital position of S\$5.1 million as at 31 December 2022, as compared to S\$4.9 million as at 31 December 2021.

Non-current assets

There was no major movement in the Group’s non-current assets as at 31 December 2022 as compared to as at 31 December 2021. The slight increase was mainly due to the increase in intangible assets (mainly software development cost) and equipment, which was partially offset by depreciation of plant and equipment and amortisation of intangible assets charged in FY2022.

Current Assets

Current assets comprised cash and cash equivalents, and trade and other receivables. Current assets decreased by S\$4.2 million from S\$30.0 million as at 31 December 2021 to S\$25.8 million as at 31 December 2022, mainly due to the decrease in cash and cash equivalents of S\$4.3 million, and was partially offset by the increase in trade and other receivables of S\$0.1 million. The decrease in cash and cash equivalents was mainly attributable to the cash used in operating activities.

Please refer to the section on “Condensed interim consolidated statement of cash flows” below for the reasons in the movement of cash and cash equivalents.

G. Other Supplementary Information Pursuant to Appendix 7C of the Catalist Rules

Current liabilities

Current liabilities comprised mainly trade and other payables and loans and borrowings. Current liabilities decreased by S\$4.4 million, from S\$25.0 million as at 31 December 2021 to S\$20.6 million as at 31 December 2022.

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

Loans and borrowings decreased to approximately S\$28,000 as at 31 December 2022 from S\$0.6 million as at 31 December 2021, mainly due to the loan from a controlling shareholder which has been fully repaid in 1H2022.

c. Condensed interim consolidated statement of cash flows

The Group's cash and cash equivalents decreased by S\$4.3 million, from S\$26.4 million as at 31 December 2021 to S\$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 S\$3.9 million, mainly due to operating cash outflows before working capital changes of S\$2.5 million and the decrease in trade and other payables of S\$1.4 million;
- ii. Cash used in investing activities of S\$0.2 million, mainly due to the purchase of plant and equipment and intangible assets; and
- iii. Cash used in financing activities of S\$0.2 million, mainly due to the repayment of loan from a controlling shareholder of S\$0.6 million and repayment of lease liabilities of S\$0.1 million, partially offset by the net proceeds from issuance of new shares of S\$0.5 million.

6 Where a forecast, or a prospect statement has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. There is no forecast or prospect statement which has been previously disclosed to shareholders.

7 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The ASEAN digital payments industry is on a steady growth trajectory, with an expected compound annual growth rate ("CAGR") of 13% from 2022 to 2030². This growth is driven by the decline of cash usage and the increasing adoption of e-wallets. As more merchants accept digital payments, the Group anticipates that this trend will continue, resulting in accelerated growth in the digital payments industry.

The Group is seeking to position themselves in the ASEAN markets of Singapore, Malaysia, Indonesia, Thailand, Cambodia, and the Philippines, and believes that OxPay is well-placed to take advantage of these growth opportunities. By supporting the shift towards digital

²

https://services.google.com/fh/files/misc/e_conomy_sea_2022_report.pdf?utm_source=bain&utm_medium=website&utm_campaign=2022

G. Other Supplementary Information Pursuant to Appendix 7C of the Catalist Rules

payments and providing small and mid-sized enterprises with the necessary tools to accept digital payments, the Group aims to help drive sustained behavioral change that will result in long-term growth for the industry.

Under its new management, OxPay intends to grow in the ASEAN region through international payments alliances with players in the region. The partnerships will allow OxPay to grow breadth and depth in businesses quickly and cost-efficiently. OxPay has been in a partnership with Asia's leading "buy-now-pay-later" platform, Atome, since October 2022, to expand and accelerate flexible deferred payments acceptance by merchants in Asia.

In addition to the efforts above, the Group has secured in-principle approval from the Monetary Authority of Singapore to offer E-money and Account Issuance Services under its Major Payment Institution Licence in Singapore.

By leveraging its existing business operations in Malaysia and Thailand, the Group believes that it is well-positioned to benefit from the growth of digitalisation in Southeast Asia given its geographical exposure and the rise in digital consumption. In the meantime, the Group will continue to focus on enhancing its service offerings and increase its customer base through partnerships or acquisitions.

8 Dividends

Not applicable.

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

No dividend has been declared or recommended for FY2022 as the Company is in an accumulated loss position.

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

The Company does not have a general mandate from shareholders for interested person transactions.

Finance costs amounting to S\$NIL and S\$14,000 in 2H2022 and FY2022, respectively, were payable to Mr Ching (Non-Executive Non-Independent Chairman and controlling shareholder of the Company), in respect of a loan granted to the Company. The loan was fully repaid in 1H2022.

11 Disclosure of acquisition (including incorporations) and sale of shares since the end of the previous reporting period pursuant to Rule 706A of the Catalist Rules

The Group has not carried out any acquisitions (including incorporations) and realisations of shares in subsidiaries and/or associated companies since the end of the previous reporting period, up to 31 December 2022.

G. Other Supplementary Information Pursuant to Appendix 7C of the Catalyst Rules

12 Use of proceeds

As disclosed in the 1H2022 financial statements announcement dated 10 August 2022, the net proceeds of approximately S\$494,000 from the Company's placement of an aggregate of 3,251,119 new ordinary shares on 4 May 2022 have been fully utilised for general administrative expenses such as employees' remuneration and other statutory contributions.

13 A breakdown of sales as follows:

Group	FY2022 S\$'000	FY2021 S\$'000	+ / (-) %
Sales reported for first half of year	5,956	6,691	(11)
Operating profit / (loss) after tax before deducting non-controlling interests reporting for first half of year	1,681	(29,443)	N.M.
Sales reported for second half of year	3,965	10,853	(63)
Operating (loss) / profit after tax before deducting non-controlling interests reporting for second half of year	(1,950)	2,082	N.M.

N.M.: Not meaningful

14 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Not applicable.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalyst Rules.

The Company confirms that all the required undertakings under Rule 720(1) of the Catalyst Rules have been obtained from its Directors and Executive Officers in the format set out in Appendix 7H of the Catalyst Rules.

G. Other Supplementary Information Pursuant to Appendix 7C of the Catalist Rules

- 16 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Ching Chiat Kwong	57	Father of Mr Shawn Ching Wei Hung, Non-Executive, Non-Independent Deputy Chairman	Non-Executive Non-Independent Chairman, first appointed as director of the Company on 30 June 2021 and appointed as Chairman of the Board on 7 July 2021	No change during the year
Shawn Ching Wei Hung	31	Son of Mr Ching Chiat Kwong, Non-Executive Non-Independent Chairman and controlling shareholder of the Company	Non-Executive Non-Independent Deputy Chairman, first appointed as director of the Company on 30 June 2021 and appointed as Deputy Chairman of the Board on 28 July 2021	No change during the year

**BY ORDER OF THE BOARD
 OXPAY FINANCIAL LIMITED**

Koh Jin Kit
 Managing Director
 Singapore

22 February 2023