

OIO HOLDINGS LIMITED

Company Registration No. 201726076W

Unaudited Condensed Interim Financial Statements

For the First Quarter Ended 31 March 2024

Background

OIO Holdings Limited (the “**Company**”) was incorporated in Singapore on 13 September 2017 under the Companies Act (Chapter 50) of Singapore as a company limited by shares under the name of “DLF Holdings Pte Ltd”. The Company was converted into a public company and changed its name to “DLF Holdings Limited” on 19 June 2018. The Company and its subsidiaries (the “**Group**”) were formed pursuant to a restructuring exercise (the “**Restructuring Exercise**”) completed on 20 October 2017. On 25 July 2018, the Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Following the approval at the Extraordinary General Meeting dated 26 June 2020, the Company has changed its name to “OIO Holdings Limited” on 2 July 2020 and diversified its business activities to include blockchain related business.

Pursuant to Rule 705(2C) of the SGX-ST Listing Manual (“**Catalist Rules**”), the Company is required by the SGX-ST to announce its quarterly financial statements in view of the material uncertainty related to going concern issued by the Company’s auditors in the latest audited financial statements for the financial year ended 31 December 2023.

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INFORMATION REQUIRED FOR ANNOUNCEMENT OF FIRST QUARTER RESULTS

A. Condensed Interim Consolidated Profit or Loss and Other Comprehensive Income

	Note	Group		
		3 months ended		
		31 March		
		1Q 2024	1Q 2023	Change
		(Unaudited)	(Unaudited)	
		S\$	S\$	%
Revenue	4	185,693	481,466	(61.4)
Cost of sales		(55,706)	(54,680)	(1.9)
Gross profit		129,987	426,786	(69.5)
Other operating income		769,713	580,075	32.7
Selling and distribution expenses		-	(17,432)	N.M.
Administrative expenses		(608,729)	(710,413)	(14.3)
Other operating expenses		(98,198)	-	N.M.
Result from operation		192,773	279,016	(30.9)
Finance costs	6.2	(17,921)	(18,163)	(1.3)
Profit before taxation	6	174,852	260,853	(33.0)
Tax expense	7	-	-	-
Profit for the financial period		174,852	260,853	(33.0)
Other comprehensive income:				
<u>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</u>				
Currency translation differences on consolidation of entities (net)		37,353	(20,859)	N.M.
Total other comprehensive income for the period		212,205	239,994	(11.6)
Profit attributable to:				
Owners of the Company		174,852	260,853	(33.0)
Total comprehensive income attributable to:				
Owners of the Company		212,205	239,994	(11.6)

N.M denotes not meaningful

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B. Condensed Interim Statements of Financial Position

Note	Group		Company	
	31 March 2024 (Unaudited) S\$	31 December 2023 (Audited) S\$	31 March 2024 (Unaudited) S\$	31 December 2023 (Audited) S\$
ASSETS				
Non-current assets				
Investment in subsidiaries	8	-	3,079,205	3,079,205
Intangible assets	9	4,966,743	759	742
Plant and equipment	10	8,614	5,682	7,974
Right-of-use assets	11	34,389	78,028	34,389
Total non-current assets		5,009,746	3,163,674	3,122,310
Current assets				
Other receivables		86,046	298,129	580,284
Cash and bank balances		542,857	418,079	435,424
Total current assets		628,903	716,208	1,015,708
Total assets		5,638,649	3,879,882	4,138,018
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Company				
Share capital	18.1	23,830,385	23,830,385	23,830,385
Reserves		(2,126,799)	128,702	128,702
Accumulated losses		(25,354,024)	(26,817,104)	(26,347,354)
Total equity attributable to owners of the Company		(3,650,438)	(2,858,017)	(2,388,267)
Non-controlling interests		(55,098)	-	-
Total equity		(3,705,536)	(2,858,017)	(2,388,267)
LIABILITIES				
Non-current liabilities				
Trade and other payables	13	1,939,326	-	-
Provision for contingent liability	15	197,196	-	-
Lease liabilities	12	-	39,289	-
Loans from shareholders	16	4,137,200	4,195,200	4,137,200
Total non-current liabilities		6,273,722	4,234,489	4,137,200
Current liabilities				
Trade and other payables	13	1,029,699	456,682	388,895
Contract liabilities	14	40,574	-	-
Lease liabilities	12	35,477	38,804	35,477
Convertible notes	17	1,964,713	2,007,924	1,964,713
Total current liabilities		3,070,463	2,503,410	2,389,085
Total liabilities		9,344,185	6,737,899	6,526,285
Total equity and liabilities		5,638,649	3,879,882	4,138,018

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C. Condensed Interim Consolidated Statement of Cash Flows

	Note	Group	
		3 months ended 31 March	
		1Q 2024	1Q 2023
		(Unaudited)	(Unaudited)
		S\$	S\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		174,852	260,853
Adjustments for:			
Amortisation of software development	6.1	136,114	109,497
Crypto assets received as revenue		(140,709)	(203,077)
Crypto asset payments for expenses		8,380	121,695
Depreciation of plant and equipment	6.1	1,545	2,249
Depreciation of right-of-use assets	6.1	11,093	12,894
Gain on disposal of crypto assets	6.1	(455,576)	(19,078)
Gain on derecognition of right-of-use assets		(867)	-
Reversal of impairment loss on crypto assets	6.1	(313,212)	(567,519)
Interest on lease liabilities	6.1	369	803
Interest on convertible notes	6.1	17,552	17,360
Write-off of plant and equipment due to relocation of office	6.1	4,606	-
Operating loss before working capital changes		(555,853)	(264,323)
Change in contract liabilities		(40,807)	(113,970)
Change in other receivables		(10,959)	104,899
Change in trade and other payables		(98,924)	(923,779)
Cash used in operations, representing net cash used in operating activities		(706,543)	(1,197,173)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions of software development costs		-	(199,050)
Proceeds from disposal of crypto assets		677,661	301,571
Purchase of plant and equipment		(3,712)	-
Net cash generated from investing activities		673,949	102,521
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(11,250)	(12,697)
Interest paid on lease liabilities		(369)	(803)
Net cash used in financing activities		(11,619)	(13,500)
Net decrease in cash and cash equivalents		(44,213)	(1,108,152)
Cash and cash equivalents at beginning of financial period		542,857	2,742,503
Effects of exchange rate changes on cash and cash equivalents		135,241	(37,365)
Cash and cash equivalents at end of financial period		633,885	1,596,986

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D. Condensed Interim Statements of Changes in Equity

Group	<-----Equity attributable to owners of the Company----->							
	Share capital S\$	Other reserves S\$	Share- based payment reserve S\$	Foreign currency reserve S\$	Accumulated losses S\$	Total S\$	Non- controlling interests S\$	Total equity S\$
1Q 2024 (Unaudited)								
Balance as at 1 January 2024	23,830,385	(2,724,770)	128,702	469,269	(25,354,024)	(3,650,438)	(55,098)	(3,705,536)
Profit for the period	-	-	-	-	174,852	174,852	-	174,852
Foreign currency translation differences	-	-	-	37,353	-	37,353	-	37,353
Total comprehensive income for the period	-	-	-	37,353	174,852	212,205	-	212,205
Balance as at 31 March 2024	23,830,385	(2,724,770)	128,702	506,622	(25,179,172)	(3,438,233)	(55,098)	(3,493,331)
1Q 2023 (Unaudited)								
Balance as at 1 January 2023	23,830,385	(2,724,770)	72,702	499,082	(24,322,165)	(2,644,766)	(55,098)	(2,699,864)
Profit for the period	-	-	-	-	260,853	260,853	-	260,853
Foreign currency translation differences	-	-	-	(20,859)	-	(20,859)	-	(20,859)
Total comprehensive (loss)/income for the period	-	-	-	(20,859)	260,853	239,994	-	239,994
Transactions with owners, recognised directly in equity								
Issuance of new ordinary shares under PSP	-	-	56,000	-	-	56,000	-	56,000
Balance as at 31 March 2023	23,830,385	(2,724,770)	128,702	478,223	(24,061,312)	(2,348,772)	(55,098)	(2,403,870)

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

Company	Share capital	Share-based payment reserve	Accumulated losses	Total equity
	S\$	S\$	S\$	S\$
<u>1Q 2024 (Unaudited)</u>				
Balance as at 1 January 2024	23,830,385	128,702	(26,347,354)	(2,388,267)
Loss for the period	-	-	(469,750)	(469,750)
Total comprehensive loss for the period	-	-	(469,750)	(469,750)
Balance as at 31 March 2024	23,830,385	128,702	(26,817,104)	(2,858,017)
<u>1Q 2023 (Unaudited)</u>				
Balance as at 1 January 2023	23,830,385	72,702	(26,323,995)	(2,420,908)
Loss for the period	-	-	(120,925)	(120,925)
Total comprehensive loss for the period	-	-	(120,925)	(120,925)
<u>Transactions with owners, recognised directly in equity</u>				
Issuance of new ordinary shares under PSP	-	56,000	-	56,000
Balance as at 31 March 2023	23,830,385	128,702	(26,444,920)	(2,485,833)

E. Notes to The Condensed Interim Consolidated Financial Statements

1. Corporate information

The Company is incorporated as a private company and domiciled in the Republic of Singapore. The Company was listed on 25 July 2018 in the Catalist Board of the SGX-ST. These condensed interim consolidated financial statements as at and for the three months ended 31 March 2024 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Group are:-

- (a) Staking¹ services relate to provision of digital wallets and staking services to retail customers as well as research and development services to enterprise customers in relation to their staking and decentralized finance businesses, which are conducted by Moonstake Pte Ltd and Moonstake Limited acquired by the Group on 31 May 2021. Moonstake Pte Ltd and its subsidiary shall collectively be referred to as the “MS Group”; and
- (b) Blockchain agency and consulting services relates to sales agency services to blockchain companies in respect of their blockchain-related products and services, software development outsource agency services to blockchain companies in respect of their software development projects, consultancy services to blockchain companies in respect of the strategy, sales and marketing, technology and operation of their blockchain-related businesses, products and services and commercialisation of blockchain-related products, which are conducted by OIO Singapore Pte Ltd.

¹ Staking is a technical feature of blockchain technologies which utilises Proof of Stake (“**PoS**”) as a validation mechanism by rewarding token holders who had staked their tokens for the validation process. A staking pool aggregates digital assets from multiple token holders to increase the token holders’ likelihood of receiving the blockchain validation rewards under the PoS system. The MS Group provides a proprietary software platform, including a user-friendly web wallet and mobile wallet services, in order to provide a full range of staking functions, and to serve a larger pool of tokens for holders to stake the cryptocurrencies they hold.

Proof of Stake produces and validates new blocks in blockchains through the process of staking, allowing new blocks to be produced without relying on specialised mining hardware. While mining requires a significant investment in hardware, under staking, holders participate in generating a block by delegating the cryptocurrencies they already hold.

2. Basis of preparation

The condensed interim financial statements for the financial period ended 31 March 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

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

2.1 New and amended standards adopted by the Group

The Group and the Company have adopted the new and revised SFRS(I)s, and Interpretations of SFRS(I) ("**SFRS(I) INTs**") that are effective for the annual period beginning on 1 January 2024. The adoption of these SFRS(I)s and SFRS(I) INTs did not have any significant effect on the financial statements of the Group and the Company.

2.2 Use of judgement and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 4.1 – Determination of operating segments
- Note 7 – Income tax

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2.2 Use of judgement and estimates (Cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Notes 8, 9 and 10 – Impairment of non-financial assets (Investment in subsidiaries, Intangible assets, Plant and equipment)
- Note 15 – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into the following main business segments in 1Q 2024:-

- Segment 1: Blockchain technology services; and
- Segment 2: Unallocated.

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

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4.1 Reportable segments

<u>Group</u> <u>1Q 2024 (Unaudited)</u>	Blockchain technology services ⁽¹⁾	Unallocated	Total
	S\$	S\$	S\$
Revenue	185,693	-	185,693
Segment results	630,667	(437,894)	192,773
Profit/ (Loss) before tax	630,667	(455,815)	174,852
Segment assets	5,364,362	550,675	5,915,037
Segment liabilities	2,670,469	6,737,899	9,408,368
<i>Other information</i>			
Interest expenses on lease liabilities	-	(369)	(369)
Interest expenses on convertible notes	-	(17,552)	(17,552)
Realised foreign exchange (loss)/ gain, net	(5,770)	730	(5,040)
Unrealised foreign exchange gain/ (loss), net	2,468	(91,020)	(88,552)
Amortisation of software development	(136,114)	-	(136,114)
Depreciation of right-of-use assets	-	(11,093)	(11,093)
Depreciation of plant and equipment	(148)	(1,397)	(1,545)
Reversal of impairment loss on crypto assets	313,212	-	313,212
Gain on disposal of crypto assets	455,576	-	455,576
Write off of plant and equipment	(4,606)	-	(4,606)

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

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4.1 Reportable segments (Cont'd)

The Group is organised into the following main business segments in 1Q 2023:-

- Segment 1: Blockchain technology services; and
- Segment 2: Unallocated.

<u>Group</u>	Blockchain technology services ⁽¹⁾	Unallocated	Total
<u>1Q 2023 (Unaudited)</u>	S\$	S\$	S\$
Revenue	481,466	-	481,466
Segment results	394,019	(115,003)	279,016
Profit/ (Loss) before tax	394,019	(133,166)	260,853
Segment assets	5,085,125	1,561,943	6,647,068
Segment liabilities	3,050,161	6,000,777	9,050,938
<u>Other information</u>			
Interest expenses on lease liabilities	-	(803)	(803)
Interest expenses on convertible notes	-	(17,360)	(17,360)
Realised foreign exchange loss, net	(27,037)	(276)	(27,313)
Unrealised foreign exchange gain, net	5,248	16,090	21,338
Amortisation of software development	(109,497)	-	(109,497)
Depreciation of right-of-use assets	-	(12,894)	(12,894)
Depreciation of plant and equipment	(358)	(1,891)	(2,249)
Reversal of impairment loss on crypto assets	282,958	284,561	567,519
Gain on disposal of crypto assets	19,078	-	19,078
Government Grant (reversal)/received	(3,024)	2,180	(844)
Write off of plant and equipment	-	-	-

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

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4.2 Disaggregation of Revenue

	Group	
	3 months ended	
	31 March	
	1Q 2024	1Q 2023
	(Unaudited)	(Unaudited)
	S\$	S\$
The Group		
Staking services		
- Digital wallets and staking services	144,886	208,026
- Research and development services	-	191,740
- Agency service fee	40,807	81,249
Total staking services	185,693	481,015
Blockchain agency and consulting services	-	451
	185,693	481,466
Timing of revenue recognition		
At a point in time		
- Staking services	144,886	208,026
- Blockchain agency and consulting services	-	-
	144,886	208,026
Over time		
- Staking services	40,807	272,989
- Blockchain agency and consulting services	-	451
	40,807	273,440
	185,693	481,466
Geographical segments		
Singapore	144,886	113,970
Others	40,807	367,496
	185,693	481,466

4.3 Revenue

The accounting policies on revenue recognition for the Group are:-

(i) Blockchain agency and consulting services⁽¹⁾

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods and acceptance by customers. Revenue from services is recognised when services are rendered and accepted by customers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated cost or the possible return of goods.

(ii) Staking services⁽²⁾

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

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4.3 Revenue (Cont'd)

(ii) Staking services ⁽²⁾ (Cont'd)

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

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

(1) Conducted by OIO Singapore Pte Ltd.

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

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2024 and 31 December 2023:-

	Group		Company	
	31 March 2024 (Unaudited) S\$	31 December 2023 (Audited) S\$	31 March 2024 (Unaudited) S\$	31 December 2023 (Audited) S\$
Financial assets at amortised costs				
Other receivables*	48,015	46,765	270,560	570,291
Cash and bank balances	633,885	542,857	418,079	435,424
	<u>681,900</u>	<u>589,622</u>	<u>688,639</u>	<u>1,005,715</u>
Financial liabilities at amortised costs				
Trade and other payables**	2,793,898	2,837,164	456,682	388,895
Lease liabilities	78,093	35,477	78,093	35,477
Loans from shareholders	4,195,200	4,137,200	4,195,200	4,137,200
Convertible notes	2,007,924	1,964,713	2,007,924	1,964,713
	<u>9,075,115</u>	<u>8,974,554</u>	<u>6,737,899</u>	<u>6,526,285</u>

* Excluded prepayments and goods and services tax receivable.

** Excluded interest free loan from the Executive Chairman in crypto assets.

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6. Profit before taxation

6.1 Significant items

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

	Note	Group	
		3 months ended	
		31 March	
		1Q 2024	1Q 2023
		(Unaudited)	(Unaudited)
		S\$	S\$
Amortisation of software development	9	(136,114)	(109,497)
Depreciation on plant and equipment		(1,545)	(2,249)
Depreciation on right-of-use assets	11	(11,093)	(12,894)
Realised foreign exchange loss, net		(5,040)	(27,313)
Unrealised foreign exchange loss/ (gain), net		(88,552)	21,338
Government grants reversal		-	(844)
Reversal of impairment loss on crypto assets	9	313,212	567,519
Interest expenses on lease liabilities		(369)	(803)
Interest expenses on convertible notes		(17,552)	(17,360)
Gain on disposal of crypto assets		455,576	19,078
Write-off of plant and equipment		(4,606)	-

6.2 Finance costs

The interest expenses on leases liabilities incurred in 1Q 2024 were S\$369 (1Q 2023: S\$803). The interest expenses on convertible notes incurred in 1Q 2024 were S\$17,552 (1Q 2023: S\$17,360).

6.3 Related party transactions

There were transactions with the following related party during the financial period ended 31 March 2024.

	Group	
	3 months ended	
	31 March	
	1Q 2024	1Q 2023
	(Unaudited)	(Unaudited)
	S\$	S\$
<u>Transactions with related party</u> ⁽¹⁾		
Professional and consulting fee	24,025	24,041

⁽¹⁾ Related party is the entity which has common controlling shareholder as the Company.

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7. Tax expense

There were no tax expenses incurred for the three months ended 31 March 2024 (1Q 2023: S\$Nil).

8. Investment in subsidiaries

	Company	
	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
	S\$	S\$
Unquoted equity investments, at cost		
At 1 January	10,628,098	9,325,853
Additions ⁽¹⁾	-	1,302,245
At 31 March and 31 December	<u>10,628,098</u>	<u>10,628,098</u>
Accumulated impairment		
At 1 January	(7,548,893)	(7,654,893)
Reversal of impairment of investment in subsidiaries ⁽²⁾	-	106,000
At 31 March and 31 December	<u>(7,548,893)</u>	<u>(7,548,893)</u>
Investment in subsidiaries – Net	<u>3,079,205</u>	<u>3,079,205</u>

⁽¹⁾ In January 2023, the Company increased its investment in Moonstake Pte Ltd by S\$1,302,245 (US\$968,500 at SGD/USD rate of 1.3446 at 6 January 2023)

⁽²⁾ In FY 2023, the Company carried out an impairment assessment of its investments in subsidiaries. Based on this assessment, the Company recognised a reversal of impairment loss of S\$106,000 as the recoverable amount exceeded the carrying amount as at 31 December 2023 following an improved outlook in the cryptocurrency market.

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9. Intangible assets

Note	Group			
	Goodwill on Acquisition	Crypto Assets	Software Development	Total
	S\$	S\$	S\$	S\$
Cost				
At 1 January 2023	7,100,985	5,701,998	2,070,172	14,873,155
Additions	-	631,043	659,300	1,290,343
Disposal	-	(1,104,723)	-	(1,104,723)
Repayment of advances from Customers	-	(9,876)	-	(9,876)
Currency translation differences	(137,309)	(99,782)	(40,031)	(277,122)
At 31 December 2023	6,963,676	5,118,660	2,689,441	14,771,777
Additions	-	140,709	-	140,709
Disposal	-	(288,425)	-	(288,425)
Currency translation differences	153,153	113,044	59,149	325,346
At 31 March 2024	7,116,829	5,083,988	2,748,590	14,949,407
Accumulated Amortisation				
At 1 January 2023	-	-	(650,289)	(650,289)
Additions	-	-	(497,923)	(497,923)
Currency translation differences	-	-	22,057	22,057
At 31 December 2023	-	-	(1,126,155)	(1,126,155)
Additions	6.1	-	(136,114)	(136,114)
Currency translation differences	-	-	(26,083)	(26,083)
At 31 March 2024	-	-	(1,288,352)	(1,288,352)
Accumulated Impairment				
At 1 January 2023	(5,318,860)	(4,413,660)	-	(9,732,520)
Reversal	-	880,384	-	880,384
Currency translation differences	102,849	70,408	-	173,257
At 31 December 2023	(5,216,011)	(3,462,868)	-	(8,678,879)
Reversal	6.1	-	313,212	313,212
Currency translation differences	(114,717)	(78,587)	-	(193,304)
At 31 March 2024	(5,330,728)	(3,228,243)	-	(8,558,971)
Carrying Amount				
At 31 March 2024	1,786,101	1,855,745	1,460,238	5,102,084
At 31 December 2023	1,747,665	1,655,792	1,563,286	4,966,743

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9.1 Goodwill on Acquisition

The Group recognised a goodwill of S\$7,116,829 ⁽¹⁾ following the acquisition of new subsidiaries, Moonstake Pte Ltd and Moonstake Limited, on 31 May 2021.

The Group tests whether goodwill has suffered any impairment on an annual basis. For FY 2023 and FY 2022 reporting periods, the recoverable amount of the cash-generating units (“CGU”) is determined based on value-in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates that are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

In FY 2022, the impairment loss of S\$5,428,037 ⁽²⁾ was charged to “Other operating expenses” in profit or loss. This impairment charge has arisen from the Blockchain Technology Services segment as the segment is expecting lower forecasted revenue from digital wallet and staking services, as well as research and development services. No additional impairment loss was assessed necessary for FY 2023. Please refer to Notes to the Financial Statements 4(ii) in the Annual Report for FY2023 for further details of the goodwill impairment.

⁽¹⁾ US\$5,281,114 @ USD/SGD closing rate of 1.3476 as at 31 March 2024

⁽²⁾ US\$3,955,719 @ USD/SGD average P&L rate of 1.3722 for December 2022

9.2 Crypto Assets

The crypto assets held by the Group and the Company are accounted for as intangible assets with indefinite useful lives and are initially measured at cost. Crypto assets accounted for as intangible assets are not amortised, but assessed for impairment annually, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the infinite-lived asset is impaired. Impairment exists when the carrying amount exceeds its fair value, which is measured using the quoted price of the crypto asset at the time its fair value is being measured. Impairment expense is reflected in other operating expenses in the profit or loss. The Group and the Company assigns costs to transactions on a first-in, first-out basis.

9.3 Software Development

Software development relates to software development costs capitalised for MS Group’s staking pool protocol and blockchain nodes setup and implementation, staking services management system and digital wallet solutions.

Software development is stated at cost less accumulated amortisation and impairment losses, if any. The cost is amortised using the straight-line method over the estimated useful life of 5 years. The remaining useful life of the software development as at 31 March 2024 is between 1 years to 4.5 years.

10. Plant and equipment

During the financial period ended 31 March 2024, the Group acquired assets amounting to S\$3,712 (31 March 2023: S\$Nil) wrote off assets with carrying amount totalling to S\$4,606 (31 March 2023: S\$Nil).

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11. Right-of-use assets

	Group and Company
	Office premises
	S\$
Cost	
At 1 January 2023 and 31 December 2023	103,157
Additions	79,416
Termination of lease contracts	(103,157)
At 31 March 2024	<u>79,416</u>
Accumulated Depreciation	
At 1 January 2023	17,192
Additions	51,576
At 31 December 2023	68,768
Additions	11,093
Termination of lease contracts	(78,473)
At 31 March 2024	<u>1,388</u>
Carrying Amount	
At 31 March 2024	<u>78,028</u>
At 31 December 2023	<u>34,389</u>

In February 2024, the Group terminated the lease for an office premise in LTC Building D along 16 Arumugam Road and entered into 2-year lease to rent an office premise in LTC Building C along 14 Arumugam Road. This lease has resulted in an addition to the rights-of-use assets and the lease liabilities (Note 12) respectively.

12. Lease liabilities

	Group and Company	
	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
	S\$	S\$
Undiscounted lease payments due:		
- Year 1	41,760	36,000
- Year 2	40,301	-
	<u>82,061</u>	<u>36,000</u>
Less: Unearned interest cost	(3,968)	(523)
Lease liabilities	<u>78,093</u>	<u>35,477</u>
Presented as:		
- Non-current	39,289	-
- Current	<u>38,804</u>	<u>35,477</u>
	<u>78,093</u>	<u>35,477</u>

Interest expense on lease liabilities of S\$369 (1Q 2023: S\$803) is recognised within "finance costs" in the profit and loss.

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13. Trade and other payables

	Group		Company	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	(Unaudited) S\$	(Audited) S\$	(Unaudited) S\$	(Audited) S\$
Current				
Trade payables	16,966	23,332	-	-
Other payables	295,694	407,807	114,076	87,660
Amount due to director (non-trade)	153,623	136,931	75,000	60,000
Loan from director ⁽¹⁾	134,761	131,861	-	-
Accrued expenses	345,638	329,768	267,606	241,235
	946,682	1,029,699	456,682	388,895
Non-current				
Advances in crypto assets ⁽²⁾	1,981,977	1,939,326	-	-
Total	2,928,659	2,969,025	456,682	388,895

Trade and other payables are denominated in the following currencies:

	Group		Company	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	(Unaudited) S\$	(Audited) S\$	(Unaudited) S\$	(Audited) S\$
Singapore dollar	464,189	401,956	456,682	388,895
United States dollar	2,464,470	2,567,069	-	-
	2,928,659	2,969,025	456,682	388,895

⁽¹⁾ Loan from Executive Chairman in crypto assets is interest-free and repayable on demand.

⁽²⁾ Included in non-current liability as at 31 March 2024 are advances in crypto assets received from a third party of S\$1,981,977 (2023: S\$1,939,326). The advances are non-interest bearing. On 29 December 2023, the Group entered into an agreement with the third party to extend the repayment date of the advances in crypto assets to after 31 December 2025.

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14. Contract liabilities

	Group	
	31 March 2024	31 December 2023
	(Unaudited) S\$	(Audited) S\$
Deferred Revenue ⁽¹⁾		
At 1 January	40,574	368,560
Recognise as revenue - non-refundable agency fee	(40,807)	(326,935)
Currency translation differences	233	(1,051)
At 31 March 2024 and 31 December 2023 ⁽²⁾	-	40,574
Advances from customer ⁽³⁾		
At 1 January	-	32,721
Recognised as revenue	-	(32,721)
At 31 March 2024 and 31 December 2023	-	-
Total	-	40,574
Analysed as		
- Current ⁽³⁾	-	40,574
- Non-current	-	-
	-	40,574

⁽¹⁾ Agency service fee collected in advance. The Group recognises the contract liabilities to profit or loss over the remaining period of the agreement until February 2024.

⁽²⁾ Includes agency service fee collected in advance of S\$Nil (31 December 2023: S\$40,574) to be recognised to profit or loss over the remaining period of the agreement.

⁽³⁾ Amounts received in advance for consulting services.

15. Provision for contingent liability

In 2020, a lender (the “**Lender**”) extended loans totalling approximately S\$1.6 million to Moonstake Pte Ltd and Moonstake Limited (the “**Original Loans**”). The provision for contingent liability of approximately S\$0.3 million relates to contingent liability arose from the Deed of Novation entered into by Moonstake Pte Ltd, Moonstake Limited, the Lender and a third party as part of the conditions precedent to be fulfilled, with terms and conditions being satisfactory to the Company prior to the completion of the acquisition of Moonstake Pte Ltd.

The entry into the Deed of Novation is to transfer fully the loan liabilities of approximately S\$1.6 million to a third party with a consideration to share 2.2% of Moonstake Limited’s revenue with the transferee for the period from 1 September 2020 to 31 December 2026. The Lender continued to have loan receivables which had the same principle amounts with the Original Loans from the third party. The revenue sharing obligations are recognised as the provision for contingent liability.

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16. Loans from shareholders

Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 March 2024 (Unaudited)		As at 31 December 2023 (Audited)	
Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
-	-	-	-

Amount repayable after one year

As at 31 March 2024 (Unaudited)		As at 31 December 2023 (Audited)	
Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
-	4,195,200	-	4,137,200

Loans and borrowings

On 29 December 2023, the Company entered into an agreement with North Ventures Pte Ltd (“**NVPL**”) to further extend the repayment date of the interest free loans of (i) S\$400,000 and (ii) US\$2,000,000 (S\$2,695,200 ⁽¹⁾) respectively to after 30 June 2025.

On 14 August 2023, the Company entered into an interest free and unsecured loan agreement of S\$1,100,000 with a controlling shareholder of the Company, who is also the Chief Executive Officer of the Company's wholly-owned subsidiary, Moonstake Pte Ltd. On 29 December 2023, the controlling shareholder of the Company agreed to extend the repayment date of the interest free loan of S\$1,100,000 to after 30 June 2025.

⁽¹⁾ US\$2,000,000 @ USD/SGD closing rate of 1.3476 as at 31 March 2024

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17. Convertible Notes

On 30 December 2022, the Company issued convertible notes with a principal amount of US\$1,490,000 to xWin Asset Management Japan LLC. The convertible notes will mature on 29 December 2024.

Interest on the convertible notes will accrue at the rate of 3.50% per annum, and is payable in cash on (a) the first anniversary of its issue date, (b) the date the convertible notes are redeemed as a result of a declaration by the holder that the notes have become due and payable prior to their maturity because an event of default has occurred and is not cured or waived, and (c) the maturity date if the convertible notes are not converted in accordance with their terms. In all other cases, accrued and unpaid interest will be converted into ordinary shares in the Company in accordance with the terms and conditions of the notes.

The Company may mandate the conversion of the principal amount of the convertible notes together with accrued unpaid interest into conversion shares if at any time the volume weighted average price of the shares for three consecutive trading days is at least 361.27% of the minimum conversion price. Upon such mandatory conversion, the principal amount of the convertible notes together with accrued unpaid interest will convert into conversion shares at a price equal to 93.5% of the volume weighted average price of the shares on the Catalist on the last trading day of such three consecutive trading days.

In addition, the principal amount of the convertible notes together with accrued unpaid interest will also automatically convert into conversion shares on the maturity date at the higher of (a) the minimum conversion price and (b) the price equal to 93.5% of the volume weighted average price of the shares on the Catalist on the maturity date.

The initial minimum conversion price is S\$0.06922 per share, with an agreed fixed exchange rate of US\$1.00 = S\$1.35 applicable on conversion of the convertible notes. The minimum conversion price will be subject to customary anti-dilution adjustments.

The proceeds received from the issue of the convertible notes are classified entirely as liability, as follows:

	Group and Company	
	31 March 2024	31 December 2023
	(Unaudited) S\$	(Audited) S\$
Liability component at the reporting date	2,007,924	1,964,713

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18. Share Capital

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

	Group and the Company			
	31 March 2024 (Unaudited)		31 December 2023 (Audited)	
	No. of shares	Amount S\$	No. of shares	Amount S\$
<u>Issued and paid-up share capital</u>				
At beginning of financial period	187,360,841	23,830,385	187,222,569	23,830,385
Issuance of new ordinary shares ⁽¹⁾	-	-	138,272	-
At end of financial period	<u>187,360,841</u>	<u>23,830,385</u>	<u>187,360,841</u>	<u>23,830,385</u>

⁽¹⁾ On 3 January 2023 and 31 March 2023, the Company issued and allotted 49,383 ordinary shares and 88,889 ordinary shares respectively under the Performance Share Plan.

The Company did not have any outstanding convertible notes, treasury shares or subsidiary holdings as at 31 March 2024 and 31 December 2023.

Convertible Notes Due 2024

The Company had on 30 December 2022 issued US\$1,490,000 3.5% per annum convertible notes due in December 2024 at an initial minimum conversion price of S\$0.06922 per share.

Based on the initial minimum conversion price of S\$0.06922 per share and assuming the convertible notes are fully converted, the number of new ordinary shares to be issued would be approximately 29,067,919 shares as at 31 March 2024 (31 December 2023: approximately 29,067,919 shares).

18.2 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 March 2024 (Unaudited)	As at 31 December 2023 (Audited)
Total number of issued shares	<u>187,360,841</u>	<u>187,360,841</u>

The Company did not have any treasury shares as at 31 March 2024 and 31 December 2023.

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

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

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

Not applicable. There were no subsidiary holdings during the current financial period reported on.

19. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	3 months ended 31 March	
	1Q 2024	1Q 2023
	(Unaudited)	(Unaudited)
Profit attributable to the owners of the Group (S\$)	174,852	260,853
Weighted average number of ordinary shares in issue	187,360,841	187,231,143
Basic earnings per share (cents)	0.09	0.14
Weighted average number of ordinary shares (diluted) in issue	187,360,841	187,231,143
Diluted earnings per share (cents)	0.09	0.14

20. Net Asset/ (Liability) Value

Net asset/ (liability) value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) Current period reported on; and
- (b) Immediately preceding financial year.

	Group		Company	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net liability value (S\$)	(3,493,331)	(3,705,536)	(2,858,017)	(2,388,267)
Number of ordinary shares in issue	187,360,841	187,360,841	187,360,841	187,360,841
Net liability value per ordinary share (SGD cents)	(1.86)	(1.98)	(1.53)	(1.27)

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21. Subsequent Events

On 3 April 2024, the Company received a letter of demand from the lawyer representing Mr Fan Chee Seng (“Mr Fan”), the former Executive Chairman of the Company in relation to alleged wrongful termination of Mr Fan’s employment (the “Letter of Demand”). Pursuant to the Letter of Demand, Mr Fan has demanded payment of the sum of \$90,000 (being 6 times monthly salary of \$15,000) by 8 April 2024, failing which Mr Fan will commence legal proceedings against the Company.

On 8 April 2024, the Company announced that it had appointed legal counsel to advise on the Letter of Demand and the merits to the claims thereunder.

On 17 April 2024, the Company has been served with an Originating Claim and Statement of Claim (collectively, the “Claim”) filed by Mr Fan. The Company is seeking legal advice on the Claim and will take steps to respond to the Claim as may be necessary.

The Company will make announcements on the same as and when there are any further material developments.

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

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

The figures have not been audited or reviewed by the Company’s auditors.

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

Not applicable.

23A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

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

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

Not applicable as the audit opinion for FY2023 was issued based on material uncertainty relating to going concern.

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24. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review for the performance of the Group for the financial period ended 31 March 2024 ("1Q 2024") and 31 March 2023 ("1Q 2023")

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Financial Performance – 1Q 2024 vs 1Q 2023

Revenue

Revenue decreased by approximately S\$0.3 million or 61.4% to approximately S\$0.2 million in 1Q 2024, from approximately S\$0.5 million in 1Q 2023. The revenue from staking services registered was lower by approximately S\$0.3 million from approximately S\$0.5 million in 1Q 2023 to approximately S\$0.2 million in 1Q 2024, mainly attributable to (i) lower digital wallets and staking services and agency fees by approximately S\$0.1 million as a result of lower demand and (ii) absence of revenue from research and development services in 1Q 2024 (1Q 2023: S\$0.2 million).

Gross profit and gross profit margin (GPM)

The overall gross profit was approximately S\$0.1 million in 1Q 2024, which decreased by S\$0.3 million from approximately S\$0.4 million in 1Q 2023. The overall GPM decreased from 88.6% in 1Q 2023 to 70.0% in 1Q 2024.

The overall gross profit generated in 1Q 2024 was contributed by the blockchain technology services, of which the GPM was approximately 70.0% in 1Q 2024. The cost of sales incurred by this business segment was mainly the cost of outsourcing services and commission expenses paid.

Other operating income

Other operating income increased by approximately S\$0.19 million, from approximately S\$0.58 million in 1Q 2023 to approximately S\$0.77 million in 1Q 2024. This was primarily attributable to gain on disposal of crypto assets of approximately S\$0.46 million (1Q 2023: S\$0.02 million). The increase was offset with a decrease in the reversal of impairment loss on crypto assets of approximately S\$0.31 million (1Q 2023: S\$0.57 million).

Operating Expenses

No selling and distribution expenses were incurred in 1Q 2024 (1Q 2023: S\$0.02million). The selling and distribution expenses in 1Q 2023 comprised mainly of marketing consultancy and advertising services of approximately S\$0.02 million. The decrease in selling and distribution expenses was mainly due to lower marketing activities.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME **(Cont'd)**

Financial Performance – 1Q 2024 vs 1Q 2023 (Cont'd)

Operating Expenses (Cont'd)

Administrative expenses were approximately S\$0.6 million in 1Q 2024, which decreased by approximately S\$0.1 million from approximately S\$0.7 million in 1Q 2023. The decrease in the administrative expenses was mainly attributable to (i) lower staff costs by approximately S\$0.09 million due to a decrease in headcount in 1Q 2024, (ii) lower annual listing fees by approximately S\$0.03 million, and (iii) lower travelling and public-relations expenses by approximately S\$0.01 million. The decrease is partially offset with higher amortisation of software development costs by approximately S\$0.03 million.

Other operating expenses were approximately S\$0.1 million in 1Q 2024 (1Q 2023: S\$Nil). The other operating expenses in 1Q 2024 consist mainly of net foreign exchange translation loss of approximately S\$0.1 million arising from revaluation of trade and other payables, loan from shareholders and convertible notes balances denominated in United States dollars.

Finance costs

The finance costs incurred were approximately S\$369 in 1Q 2024 (1Q 2023: S\$803) for interest on lease liabilities and accrued interest for the convertible notes issued on 30 December 2022 of approximately S\$17,552 in 1Q 2024 (1Q 2023: S\$17,360).

Tax expenses

No tax expenses were incurred in both 1Q 2024 and 1Q 2023.

Total comprehensive income for the period

The resulting comprehensive income for the three months under review decreased by approximately S\$0.03 million to a profit of approximately S\$0.21 million in 1Q 2024 from a profit of approximately S\$0.24 million in 1Q 2023.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Non-current assets increased by approximately S\$0.18 million to approximately S\$5.18 million as at 31 March 2024 from approximately S\$5.0 million as at 31 December 2023. The increase was mainly due to (i) increase in crypto assets of approximately S\$0.2 million due to a reversal of impairment loss of crypto assets following an improvement in market price of crypto assets as at 31 March 2024 as compared to 31 December 2023, (ii) net increase in right-of-use assets of approximately S\$0.04 million with an addition of new office premises lease entered in February 2024 offset with the termination of the old office premises lease, and (iii) increase in goodwill by approximately S\$0.04 million arising from foreign currency translation differences. The increase in non-current assets was partly offset by lower software development costs of approximately S\$0.1 million due to amortisation charges.

Current assets increased by approximately S\$0.1 million to approximately S\$0.7 million as at 31 March 2024 from approximately S\$0.6 million as at 31 December 2023. The increase was mainly due to increase in cash and bank balances. Please refer to the cashflow analysis below for details on the changes in cash and bank balance.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

Non-current liabilities increased by approximately S\$0.14 million to approximately S\$6.41 million as at 31 March 2024 from approximately S\$6.27 million as at 31 December 2023. The increase was mainly due to (i) foreign currency translation differences that have resulted in higher advances in crypto assets from third party of approximately S\$0.04 million and (ii) foreign exchange translation differences that have resulted in higher loans from shareholders by approximately S\$0.06 million, and (iii) increase lease liabilities by approximately S\$0.04 million due to addition of a new office premises lease entered in February 2024 offset with the termination of the old office premises lease.

Current liabilities decreased by approximately S\$0.1 million to approximately S\$3.0 million as at 31 March 2024 from approximately S\$3.1 million as at 31 December 2023. The decrease was primarily due to (i) reduction in trade and other payables by approximately S\$0.08 million following the repayment of trade payables and other payables and (ii) decrease in contract liability of approximately S\$0.04 million following the fulfilment of contract obligation. The decrease was partially offset by (i) increase in convertible notes by approximately S\$0.04 million due to foreign currency translation differences and (ii) increase in lease liabilities by approximately S\$0.01 million due to addition of a new office premises lease entered in February 2024 offset with the termination of the old office premises lease.

As a result, the Group recorded a negative working capital of approximately S\$2.3 million as at 31 March 2024 as compared to a negative working capital of approximately S\$2.4 million as at 31 December 2023.

The shareholders' equity improved by approximately S\$0.2 million from a deficit of approximately S\$3.7 million as at 31 December 2023 to a deficit of approximately S\$3.5 million as at 31 March 2024. This was attributable from total comprehensive income recorded for the current financial period of approximately S\$0.2 million.

Notwithstanding the negative net working capital position and deficit shareholders' equity, the Board is of the view that the Group will be able to operate as a going concern based on the factors set out below:

- (a) The crypto-currencies of S\$1,855,745 which can be converted to fiat currencies are included in the intangible assets in the non-current assets;
- (b) The current liabilities include items which would not lead to the actual cash payment by the company which is the non-cash share-based compensation of S\$69,000 (included in the trade and other payables);
- (c) The convertible notes of S\$2,007,924, which are included in the current liabilities, will be converted into equity at the earlier of (i) any time of which the volume weighted average price of the shares for three consecutive trading days is at least 361.27% of the minimum conversion price of \$0.06922 per share, or (ii) on the maturity date of 29 December 2024. As such, no cash outflow is required to repay the convertible notes;
- (d) In August 2023, the Company obtained a S\$1.1 million interest free loan from a controlling shareholder of the Company, who is also the Chief Executive Officer of the Company's wholly owned subsidiary, Moonstake Pte Ltd. This loan is repayable within 7 days after 30 November 2024, unless the Lender agrees in writing to grant the Company further extension of the credit term and to postpone the maturity date. On 29 December 2023, the controlling shareholder of the Company agreed to extend the repayment date of the interest free loan to after 30 June 2025.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

- (e) The controlling shareholder of the Company (mentioned in (d) above) has agreed to provide continuing financial support to the Group and the Company for at least twelve (12) months from the FY 2023 auditor's report dated 11 April 2024 to enable the Group and the Company to meet their obligations as and when they fall due; and
- (f) The Group will continue to explore suitable corporate funds raising exercise(s) to facilitate investment to support business growth, including potential acquisition of income generating assets, and liabilities repayment as and when they fall due.

The Board confirms that the Group will be able to meet its short-term debt obligations when they fall due based on the implementation of the aforementioned steps and continue to operate as a going concern and confirmed that all material disclosures have been provided for trading of the Company's shares to continue in an orderly manner.

CONSOLIDATED STATEMENT OF CASH FLOWS

1Q 2024 vs 1Q 2023

The Group's net cash outflow in operating activities was approximately S\$0.7 million in 1Q 2024. This consisted of cash used in operating activities before changes in working capital of approximately S\$0.6 million, and net working capital outflow of approximately S\$0.1 million. The discrepancy between profit before tax and operating cash flows was mainly attributable to Moonstake Group that received a part of its revenue in crypto of approximately S\$0.1 million which was accounted under intangible assets but not treated as cash and cash equivalents for accounting purposes.

A net cash inflow of approximately S\$0.7 million was recorded in investing activities in 1Q 2024, primarily due to the conversion of crypto assets into fiat money of approximately S\$0.7 million.

A net cash outflow of approximately S\$0.01 million was recorded in financing activities in 1Q 2024. This was mainly due to repayment of lease liabilities of approximately S\$0.01 million.

As at 31 March 2024, the cash and cash equivalents stood at approximately S\$0.6 million, an increase of approximately \$0.1 million as compared to approximately S\$0.5 million as at 31 December 2023.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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- 26. 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.**

On 30 March 2024, it was reported that crypto giant Grayscale has launched its crypto staking fund which is seen as a monumental move for the industry⁽¹⁾. This is a testament to the growing demand for alternative investments such as crypto assets and the popularisation of proof-of-stake blockchains. In turn, we are confident that we will be able to capitalize on this industry uptrend.

As the industry goes through the transition, market volatility is expected to stay on the high side. Nevertheless, the fundamentals of cryptocurrency and blockchain have not changed, and it is expected that they will continue to grow in relevance. The management is confident about the fundamentals of the blockchain technology and believes in the long-term growth potential of the Group's staking business. The Group does not hold or acquire crypto assets for speculative purposes and is adopting a prudent risk management approach to mitigate the market price risk of crypto assets.

⁽¹⁾ <https://cryptopotato.com/grayscale-launches-new-institutional-crypto-fund-with-staking-rewards/>

- 27. If a decision regarding dividend has been made:**

- (a) Whether an interim/ final ordinary dividend has been declared/ recommended; and**

Nil.

- (b)(i) Amount per share (cents)**

Not applicable.

- (b)(ii) Previous corresponding period**

Not applicable.

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).**

Not applicable.

- (d) The date the dividend is payable.**

Not applicable.

- (e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

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

No dividend has been declared or recommended for the financial period ended 31 March 2024 to conserve cash for the Group's business operations and growth.

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

The Group does not have a general mandate from shareholders for IPT pursuant to Rule 920(1)(a)(ii) of the Catalist Rules. There were no IPT entered into by the Group for 1Q 2024 as required to be disclosed pursuant to Rule 1204(17) of the Catalist Rules.

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

On 15 March 2023, a wholly-owned subsidiary in Vietnam, OIO Solution Vietnam Company Limited (“OIO Vietnam”) was incorporated by the Company for US\$298,000. The principal activities of OIO Vietnam are mainly (i) computer programming, (ii) computer consultancy and system administration, (iii) data processing, hosting and related activities, (iv) management advisory services, and (v) other information technology and computer service activities. OIO Vietnam has not commenced its business operation, and the capital injection to OIO Vietnam has not been made by the Company. Due to business uncertainty and high costs involved in setting up and maintaining a new business under OIO Vietnam, the Company is in the process of closing down OIO Vietnam to conserve cash and to fulfil working capital requirements of the Group. OIO Vietnam did not have any impact on the net tangible assets per share and earnings per share of the Company and the Group for 1Q 2024.

- 31. Negative Confirmation by the Board Pursuant to Rule 705(5)**

To the best of the Board of Directors’ knowledge, nothing has come to their attention which may render the unaudited condensed financial results of the Group for the first quarter ended 31 March 2024 to be false or misleading in any material aspect.

Yusaku Mishima
Executive Director

Foo Kia Juah
Lead Independent Non-Executive Director

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

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

BY ORDER OF THE BOARD

Yusaku Mishima

Executive Chairman

10 May 2024

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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