

OIO HOLDINGS LIMITED

Company Registration No. 201726076W

Unaudited Condensed Interim Financial Statements

For the Second Quarter and Six Months Ended 30 June 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 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 THE ANNOUNCEMENT OF SECOND QUARTER AND HALF YEAR RESULTS

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

	Note	Group					
		3 months ended 30 June			6 months ended 30 June		
		2Q 2024	2Q 2023	Change	1H 2024	1H 2023	Change
		(Unaudited) S\$	(Unaudited) S\$	%	(Unaudited) S\$	(Unaudited) S\$	%
Revenue	4.2	150,246	435,404	(65.5)	335,939	916,870	(63.4)
Cost of sales		(53,074)	(56,339)	(5.8)	(108,780)	(111,019)	(2.0)
Gross profit		97,172	379,065	(74.4)	227,159	805,851	(71.8)
Other operating income, net ⁽¹⁾		18,602	12,559	48.1	475,103	211,103	125.1
Selling and distribution expenses		21,779	-	N.M	21,779	(17,432)	N.M
Administrative expenses		(696,497)	(753,785)	(7.6)	(1,305,226)	(1,464,198)	(10.9)
Other operating expenses ⁽¹⁾		(701,274)	(464,364)	51.0	(486,260)	(82,833)	N.M
Result from operation		(1,260,218)	(826,525)	52.4	(1,067,445)	(547,509)	94.9
Finance costs	6.2	(18,470)	(18,227)	1.3	(36,391)	(36,390)	0.0
Loss before taxation	6	(1,278,688)	(844,752)	51.4	(1,103,836)	(583,899)	89.0
Tax expense	7	-	-	N.M	-	-	N.M
Loss for the financial period		(1,278,688)	(844,752)	51.4	(1,103,836)	(583,899)	89.0
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)		14,416	40,355	(64.3)	51,769	19,496	N.M
Total other comprehensive loss for the period		(1,264,272)	(804,397)	57.2	(1,052,067)	(564,403)	86.4
Loss attributable to:							
Owners of the Company		(1,278,688)	(844,752)	51.4	(1,103,836)	(583,899)	89.0
Total comprehensive loss attributable to:							
Owners of the Company		(1,264,272)	(804,397)	57.2	(1,052,067)	(564,403)	86.4

N.M denotes not meaningful

⁽¹⁾ The items of other operating income and other operating expenses for 2Q 2023 were presented in accordance with its nature as detailed in Note 6.1

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B. Condensed Interim Statements of Financial Position

Note	Group		Company			
	30 June 2024	31 December 2023	30 June 2024	31 December 2023		
	(Unaudited) S\$	(Audited) S\$	(Unaudited) S\$	(Audited) S\$		
ASSETS						
Non-current assets						
	Investment in subsidiaries	8	-	-	3,079,205	3,079,205
	Intangible assets	9	4,300,165	4,966,743	764	742
	Plant and equipment	10	7,194	8,614	6,849	7,974
	Right-of-use assets	11	68,101	34,389	68,101	34,389
	Total non-current assets		4,375,460	5,009,746	3,154,919	3,122,310
Current assets						
	Other receivables		82,109	86,046	162,577	580,284
	Cash and bank balances		271,493	542,857	126,063	435,424
	Total current assets		353,602	628,903	288,640	1,015,708
	Total assets		4,729,062	5,638,649	3,443,559	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	23,830,385
	Reserves		(2,070,128)	(2,126,799)	188,702	128,702
	Accumulated losses		(26,457,860)	(25,354,024)	(27,309,411)	(26,347,354)
	Total equity attributable to owners of the Company		(4,697,603)	(3,650,438)	(3,290,324)	(2,388,267)
	Non-controlling interests		-	(55,098)	-	-
	Total equity		(4,697,603)	(3,705,536)	(3,290,324)	(2,388,267)
LIABILITIES						
Non-current liabilities						
	Trade and other payables	13	1,998,008	1,939,326	-	-
	Provision for contingent liability	15	196,925	197,196	-	-
	Lease liabilities	12	29,288	-	29,288	-
	Loans from shareholders	16	4,217,000	4,137,200	4,217,000	4,137,200
	Total non-current liabilities		6,441,221	6,273,722	4,246,288	4,137,200
Current liabilities						
	Trade and other payables	13	921,999	1,029,699	424,150	388,895
	Contract liabilities	14	-	40,574	-	-
	Lease liabilities	12	39,280	35,477	39,280	35,477
	Convertible notes	17	2,024,165	1,964,713	2,024,165	1,964,713
	Total current liabilities		2,985,444	3,070,463	2,487,595	2,389,085
	Total liabilities		9,426,665	9,344,185	6,733,883	6,526,285
	Total equity and liabilities		4,729,062	5,638,649	3,443,559	4,138,018

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C. Condensed Interim Consolidated Statement of Cash Flows

	Note	Group			
		3 months ended		6 months ended	
		30 June		30 June	
		2Q 2024	2Q 2023	1H 2024	1H 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		S\$	S\$	S\$	S\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before income tax		(1,278,688)	(844,752)	(1,103,836)	(583,899)
Adjustments for:					
Amortisation of software development	6.1	137,996	119,774	274,110	229,271
Crypto assets received as revenue		(146,701)	(204,673)	(287,410)	(407,750)
Crypto assets payment for expenses		1,019	750	9,399	122,445
Depreciation of plant and equipment	6.1	1,308	2,010	2,853	4,259
Depreciation of right-of-use assets	6.1	9,927	12,894	21,020	25,788
(Gain) / Loss on disposal of crypto assets	6.1	(18,399)	23,818	(473,975)	4,740
Gain on disposal of plant and equipment	6.1	(183)	-	(183)	-
Gain on de-recognition of right-of-use assets	6.1	-	-	(867)	-
Impairment loss / (Reversal of impairment loss) on crypto assets	6.1	663,502	368,428	350,290	(199,091)
Interest on lease liabilities	6.2	917	675	1,286	1,478
Interest on convertible notes	6.2	17,553	17,552	35,105	34,912
Write-off of plant and equipment	6.1	-	-	4,606	-
Operating loss before working capital changes		(611,749)	(503,524)	(1,167,602)	(767,847)
Change in contract liabilities		-	(81,413)	(40,807)	(195,383)
Change in other receivables		28,371	69,319	17,412	174,218
Change in trade and other payables		(4,095)	(592,437)	(103,019)	(1,516,216)
Cash used in operations, representing net cash used in operating activities		(587,473)	(1,108,055)	(1,294,016)	(2,305,228)
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions of software development costs		-	(207,660)	-	(406,710)
Proceeds from disposal of crypto assets		181,433	288,453	859,094	590,024
Proceeds from disposal of plant and equipment		183	-	183	-
Purchase of plant and equipment		(2,327)	-	(6,039)	-
Net cash generated from investing activities		179,289	80,793	853,238	183,314
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of lease liabilities		(9,524)	(12,825)	(20,774)	(25,522)
Interest paid on lease liabilities		(917)	(675)	(1,286)	(1,478)
Net cash used in financing activities		(10,441)	(13,500)	(22,060)	(27,000)

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C. Condensed Interim Consolidated Statement of Cash Flows (Cont'd)

	Group			
	3 months ended		6 months ended	
	30 June		30 June	
	2Q 2024	2Q 2023	1H 2024	1H 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Note	S\$	S\$	S\$	S\$
Net decrease in cash and cash equivalents	(418,625)	(1,040,762)	(462,838)	(2,148,914)
Cash and cash equivalents at beginning of financial period	633,885	1,596,986	542,857	2,742,503
Effects of exchange rate changes on cash and cash equivalents	56,233	104,398	191,474	67,033
Cash and cash equivalents at end of financial period	271,493	660,622	271,493	660,622

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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\$
1H 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)
Loss for the period	-	-	-	-	(1,103,836)	(1,103,836)	-	(1,103,836)
Foreign currency translation differences	-	-	-	51,769	-	51,769	-	51,769
Total comprehensive profit/ (loss) for the period	-	-	-	51,769	(1,103,836)	(1,052,067)	-	(1,052,067)
<u>Transactions with owners, recognised directly in equity</u>								
Issuance of new ordinary shares under PSP	-	-	60,000	-	-	60,000	-	60,000
De-recognition of non-controlling interests	-	(55,098)	-	-	-	(55,098)	55,098	-
	-	(55,098)	60,000	-	-	4,902	55,098	60,000
Balance as at 30 June 2024	23,830,385	(2,779,868)	188,702	521,038	(26,457,860)	(4,697,603)	-	(4,697,603)
1H 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)
Loss for the period	-	-	-	-	(583,899)	(583,899)	-	(583,899)
Foreign currency translation differences	-	-	-	19,496	-	19,496	-	19,496
Total comprehensive profit/ (loss) for the period	-	-	-	19,496	(583,899)	(564,403)	-	(564,403)
<u>Transactions with owners, recognised directly in equity</u>								
Issuance of new ordinary shares under PSP	-	-	56,000	-	-	56,000	-	56,000
Balance as at 30 June 2023	23,830,385	(2,724,770)	128,702	518,578	(24,906,064)	(3,153,169)	(55,098)	(3,208,267)

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

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	Non- controlling interests S\$	Total equity S\$
2Q 2024 (Unaudited)								
Balance as at 1 April 2024	23,830,385	(2,724,770)	128,702	506,622	(25,179,172)	(3,438,233)	(55,098)	(3,493,331)
Loss for the period	-	-	-	-	(1,278,688)	(1,278,688)	-	(1,278,688)
Foreign currency translation differences	-	-	-	14,416	-	14,416	-	14,416
Total comprehensive profit/(loss) for the period	-	-	-	14,416	(1,278,688)	(1,264,272)	-	(1,264,272)
<u>Transactions with owners, recognised directly in equity</u>								
Issuance of new ordinary shares under PSP	-	-	60,000	-	-	60,000	-	60,000
De-recognition of non-controlling interests	-	(55,098)	-	-	-	(55,098)	55,098	-
	-	(55,098)	60,000	-	-	4,902	55,098	60,000
Balance as at 30 June 2024	23,830,385	(2,779,868)	188,702	521,038	(26,457,860)	(4,697,603)	-	(4,697,603)
2Q 2023 (Unaudited)								
Balance as at 1 April 2023	23,830,385	(2,724,770)	128,702	478,223	(24,061,312)	(2,348,772)	(55,098)	(2,403,870)
Loss for the period	-	-	-	-	(844,752)	(844,752)	-	(844,752)
Foreign currency translation differences	-	-	-	40,355	-	40,355	-	40,355
Total comprehensive profit/(loss) for the period	-	-	-	40,355	(844,752)	(804,397)	-	(804,397)
<u>Transactions with owners, recognised directly in equity</u>								
Issuance of new ordinary shares under PSP	-	-	-	-	-	-	-	-
Balance as at 30 June 2023	23,830,385	(2,724,770)	128,702	518,578	(24,906,064)	(3,153,169)	(55,098)	(3,208,267)

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

Company	Share capital S\$	Share-based payment reserve S\$	Accumulated losses S\$	Total equity S\$
1H 2024 (Unaudited)				
Balance as at 1 January 2024	23,830,385	128,702	(26,347,354)	(2,388,267)
Loss for the period, representing total comprehensive loss for the period	-	-	(962,057)	(962,057)
<u>Transactions with owners, recognised directly in equity</u>				
Issuance of new ordinary shares under PSP	-	60,000	-	60,000
Balance as at 30 June 2024	23,830,385	188,702	(27,309,411)	(3,290,324)
1H 2023 (Unaudited)				
Balance as at 1 January 2023	23,830,385	72,702	(26,323,995)	(2,420,908)
Profit for the period, representing total comprehensive profit for the period	-	-	496,847	496,847
<u>Transactions with owners, recognised directly in equity</u>				
Issuance of new ordinary shares under PSP	-	56,000	-	56,000
Balance as at 30 June 2023	23,830,385	128,702	(25,827,148)	(1,868,061)
2Q 2024 (Unaudited)				
Balance as at 1 April 2024	23,830,385	128,702	(26,817,104)	(2,858,017)
Loss for the period, representing total comprehensive loss for the period	-	-	(492,307)	(492,307)
<u>Transactions with owners, recognised directly in equity</u>				
Issuance of new ordinary shares under PSP	-	60,000	-	60,000
Balance as at 30 June 2024	23,830,385	188,702	(27,309,411)	(3,290,324)
2Q 2023 (Unaudited)				
Balance as at 1 April 2023	23,830,385	128,702	(26,444,920)	(2,485,833)
Profit for the period, representing total comprehensive profit for the period	-	-	617,772	617,772
<u>Transactions with owners, recognised directly in equity</u>				
Issuance of new ordinary shares under PSP	-	-	-	-
Balance as at 30 June 2023	23,830,385	128,702	(25,827,148)	(1,868,061)

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 six months ended 30 June 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 relate 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 Private Limited.

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 six months ended 30 June 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 1H 2024:-

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

These operating segments are reported in a manner consistent with the 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

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

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

<u>Group</u> <u>1H 2024 (Unaudited)</u>	Blockchain technology services ⁽¹⁾ S\$	Unallocated S\$	Total S\$
Revenue	335,939	-	335,939
Segment results	(159,072)	(908,373)	(1,067,445)
Loss before tax	(159,072)	(944,764)	(1,103,836)
Segment assets	4,491,019	238,044	4,729,063
Segment liabilities	2,692,782	6,733,883	9,426,665
<u>Other information</u>			
Finance costs	-	(36,391)	(36,391)
Realised foreign exchange (loss) / gain, net	(6,014)	730	(5,284)
Unrealised foreign exchange gain / (loss), net	393	(126,473)	(126,080)
Amortisation of software development	(274,110)	-	(274,110)
Depreciation of right-of-use assets	-	(21,020)	(21,020)
Depreciation of plant and equipment	(295)	(2,558)	(2,853)
Impairment loss on crypto assets	(350,290)	-	(350,290)
Gain on disposal of crypto assets	473,975	-	473,975
Gain on de-recognition of right-of-use assets	-	867	867
Gain on disposal of plant and equipment	-	183	183
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 1H 2023:-

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

<u>Group</u> <u>1H 2023 (Unaudited)</u>	Blockchain technology services ⁽¹⁾ S\$	Unallocated S\$	Total S\$
Revenue	916,870	-	916,870
Segment results	31,059	(578,568)	(547,509)
Profit/ (Loss) before tax	31,059	(614,958)	(583,899)
Segment assets	4,690,848	655,891	5,346,739
Segment liabilities	3,005,092	5,549,914	8,555,006
<u>Other information</u>			
Finance costs	-	(36,390)	(36,390)
Realised foreign exchange loss, net	(27,851)	(2,026)	(29,877)
Unrealised foreign exchange loss, net	(2,844)	(45,371)	(48,215)
Amortisation of software development	(229,271)	-	(229,271)
Depreciation of right-of-use assets	-	(25,788)	(25,788)
Depreciation of plant and equipment	(716)	(3,543)	(4,259)
(Impairment loss)/ Reversal of impairment loss on crypto assets	(85,276)	284,367	199,091
Loss on disposal of crypto assets	(4,385)	(355)	(4,740)
Government grants	6,976	3,131	10,107

⁽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 2Q 2024:-

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

<u>Group</u> <u>2Q 2024 (Unaudited)</u>	Blockchain technology services ⁽¹⁾ S\$	Unallocated S\$	Total S\$
Revenue	150,246	-	150,246
Segment results	(789,739)	(470,479)	(1,260,218)
Loss before tax	(789,739)	(488,949)	(1,278,688)
Segment assets	4,491,018	238,044	4,729,062
Segment liabilities	2,692,782	6,733,883	9,426,665
<u>Other information</u>			
Finance costs	-	(18,470)	(18,470)
Realised foreign exchange loss, net	(244)	-	(244)
Unrealised foreign exchange loss, net	(2,075)	(35,453)	(37,528)
Amortisation of software development	(137,996)	-	(137,996)
Depreciation of right-of-use assets	-	(9,927)	(9,927)
Depreciation of plant and equipment	(147)	(1,161)	(1,308)
Impairment loss on crypto assets	(663,502)	-	(663,502)
Gain on disposal of crypto assets	18,399	-	18,399
Gain on disposal of plant and equipment	-	183	183

⁽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 2Q 2023:-

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

<u>Group</u> <u>2Q 2023 (Unaudited)</u>	Blockchain technology services ⁽¹⁾ S\$	Unallocated S\$	Total S\$
Revenue	435,404	-	434,404
Segment results	(362,960)	(463,565)	(826,525)
Loss before tax	(362,960)	(481,792)	(844,752)
Segment assets	4,690,848	655,891	5,346,739
Segment liabilities	3,005,092	5,549,914	8,555,006
<u>Other information</u>			
Finance costs	-	(18,227)	(18,227)
Realised foreign exchange loss, net	(814)	(1,750)	(2,564)
Unrealised foreign exchange loss, net	(8,092)	(61,461)	(69,553)
Amortisation of software development	(119,774)	-	(119,774)
Depreciation of right-of-use assets	-	(12,894)	(12,894)
Depreciation of plant and equipment	(358)	(1,652)	(2,010)
Impairment loss on crypto assets	(368,234)	(194)	(368,428)
Loss on disposal of crypto assets	(23,463)	(355)	(23,818)
Government grants	10,000	951	10,951

⁽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		6 months ended	
	30 June		30 June	
	2Q 2024	2Q 2023	1H 2024	1H 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	S\$	S\$	S\$	S\$
Staking services				
- Digital wallets and staking services	150,246	209,075	295,132	417,101
- Research and development services	-	144,916	-	336,656
- Agency service fee	-	81,413	40,807	162,662
Total staking services	150,246	435,404	335,939	916,419
Blockchain agency and consulting services	-	-	-	451
	150,246	435,404	335,939	916,870
Timing of revenue recognition				
At a point in time				
- Staking services ⁽¹⁾	150,246	209,075	295,132	417,101
- Blockchain agency and consulting services	-	-	-	-
	150,246	209,075	295,132	417,101
Over time				
- Staking services ⁽¹⁾	-	226,329	40,807	499,318
- Blockchain agency and consulting services	-	-	-	451
	-	226,329	40,807	499,769
	150,246	435,404	335,939	916,870
Geographical segments				
Singapore	150,246	81,413	295,132	195,383
Others	-	353,991	40,807	721,487
	150,246	435,404	335,939	916,870

⁽¹⁾ Comparative figures in 2Q 2023 and 1H 2023 have been re-presented to be in line with the year ended 31 December 2023 audited figures' presentation.

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.

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4.3 Revenue (Cont'd)

(ii) Staking services⁽²⁾

For digital wallets and staking services, revenue is recognised at the point when the block creation or validation is completed 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.

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 Private Limited

(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 and Company as at 30 June 2024 and 31 December 2023:-

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	(Unaudited) S\$	(Audited) S\$	(Unaudited) S\$	(Audited) S\$
Financial assets at amortised costs				
Other receivables*	42,052	46,765	137,299	570,291
Cash and bank balances	271,493	542,857	126,063	435,424
	<u>313,545</u>	<u>589,622</u>	<u>263,362</u>	<u>1,005,715</u>
Financial liabilities at amortised costs				
Trade and other payables**	2,784,156	2,837,164	424,150	388,895
Lease liabilities	68,568	35,477	68,568	35,477
Loans from shareholders	4,217,000	4,137,200	4,217,000	4,137,200
Convertible notes	2,024,165	1,964,713	2,024,165	1,964,713
	<u>9,093,889</u>	<u>8,974,554</u>	<u>6,733,883</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. Loss before taxation

6.1 Significant items

Other than as disclosed elsewhere, loss for the financial period is stated after (charging) / crediting the following:-

		Group				
		3 months ended		6 months ended		
		30 June		30 June		
Note		2Q 2024	2Q 2023	1H 2024	1H 2023	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
		S\$	S\$	S\$	S\$	
	Amortisation of software development	9	(137,996)	(119,774)	(274,110)	(229,271)
	Depreciation on plant and equipment		(1,308)	(2,010)	(2,853)	(4,259)
	Depreciation on right-of-use assets	11	(9,927)	(12,894)	(21,020)	(25,788)
<u>Presented under other operating</u>						
<u>income / (expenses)</u>						
	Gain/ (Loss) on disposal of crypto assets		18,399	(23,818)	473,975	(4,740)
	Other income		20	1,608	78	1,905
	Government grants received		-	10,951	-	10,107
	Foreign exchange loss, net		(37,772)	(72,117)	(131,364)	(78,092)
	(Impairment loss)/ Reversal of impairment loss on crypto assets	9	(663,502)	(368,428)	(350,290)	199,091
	Gain on de-recognition of right-of-use assets		-	-	867	-
	Gain on disposal of plant and equipment		183	-	183	-
	Write-off of plant and equipment		-	-	(4,606)	-

6.2 Finance costs

		Group			
		3 months ended		6 months ended	
		30 June		30 June	
		2Q 2024	2Q 2023	1H 2024	1H 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		S\$	S\$	S\$	S\$
	Interest expenses on lease liabilities	917	675	1,286	1,478
	Interest expenses on convertible notes	17,553	17,552	35,105	34,912
		18,470	18,227	36,391	36,390

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6.3 Related party transactions

There were transactions with the following related party during the financial period ended 30 June 2024.

	Group			
	3 months ended		6 months ended	
	30 June		30 June	
	2Q 2024	2Q 2023	1H 2024	1H 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	S\$	S\$	S\$	S\$
<u>Transactions with related party</u> ⁽¹⁾				
Professional and consulting fee	24,357	24,089	48,832	48,130

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

7. Tax expense

There were no tax expenses incurred for the six months ended 30 June 2024 (1H 2023: S\$Nil).

8. Investment in subsidiaries

	Company	
	30 June 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 30 June and 31 December	10,628,098	10,628,098
Accumulated impairment		
At 1 January	(7,548,893)	(7,654,893)
Reversal of impairment loss of investment in subsidiaries ⁽²⁾	-	106,000
At 30 June and 31 December	(7,548,893)	(7,548,893)
Investment in subsidiaries - Net	3,079,205	3,079,205

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

⁽²⁾ In FY2023, 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				
	7,100,985	5,701,998	2,070,172	14,873,155
	-	631,043	659,300	1,290,343
	-	(1,104,723)	-	(1,104,723)
	-	(9,876)	-	(9,876)
	(137,309)	(99,782)	(40,031)	(277,122)
	6,963,676	5,118,660	2,689,441	14,771,777
	-	275,176	-	275,176
	-	(458,289)	-	(458,289)
	210,717	153,056	81,380	445,153
	7,174,393	5,088,603	2,770,821	15,033,817
Accumulated Amortisation				
	-	-	(650,289)	(650,289)
	-	-	(497,923)	(497,923)
	-	-	22,057	22,057
	-	-	(1,126,155)	(1,126,155)
6.1	-	-	(274,110)	(274,110)
	-	-	(37,048)	(37,048)
	-	-	(1,437,313)	(1,437,313)
Accumulated Impairment				
	(5,318,860)	(4,413,660)	-	(9,732,520)
	-	880,384	-	880,384
	102,849	70,408	-	173,257
	(5,216,011)	(3,462,868)	-	(8,678,879)
6.1	-	(350,290)	-	(350,290)
	(157,834)	(109,336)	-	(267,170)
	(5,373,845)	(3,922,494)	-	(9,296,339)
Carrying Amount				
	1,800,548	1,166,109	1,333,508	4,300,165
	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\$7,174,393 ⁽¹⁾ following the acquisition of 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 1.3585 as at 30 June 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 30 June 2024 is between 0.75 years to 4.25 years.

10. Plant and equipment

During the financial period ended 30 June 2024, the Group acquired assets amounting to S\$6,039 (30 June 2023: S\$Nil) and wrote off assets totalling S\$4,606 (30 June 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 contract	(103,157)
At 30 June 2024	<u>79,416</u>
Accumulated Amortisation	
At 1 January 2023	17,192
Additions	51,576
At 31 December 2023	68,768
Additions	21,020
Termination of lease contract	(78,473)
At 30 June 2024	<u>11,315</u>
Carrying Amount	
At 30 June 2024	<u>68,101</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	
	30 June	31 December
	2024	2023
	(Unaudited)	(Audited)
	S\$	S\$
Undiscounted lease payments due:		
- Year 1	41,760	36,000
- Year 2	29,861	-
	<u>71,621</u>	<u>36,000</u>
Less: Unearned interest cost	(3,053)	(523)
Lease liabilities	<u>68,568</u>	<u>35,477</u>
Presented as:		
- Non-current	29,288	-
- Current	39,280	35,477
	<u>68,568</u>	<u>35,477</u>

Interest expense on lease liabilities of S\$1,286 (1H 2023: S\$1,478) is recognised within "finance costs" in the profit and loss.

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13. Trade and other payables

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	(Unaudited) S\$	(Audited) S\$	(Unaudited) S\$	(Audited) S\$
Current				
Trade payables	17,440	23,332	-	-
Other payables	436,704	407,807	216,549	87,660
Amount due to director (non-trade) ⁽¹⁾	109,259	136,931	30,000	60,000
Loan from director ⁽²⁾	135,851	131,861	-	-
Accrued expenses	222,745	329,768	177,601	241,235
	921,999	1,029,699	424,150	388,895
Non-current				
Advances in crypto assets ⁽³⁾	1,998,008	1,939,326	-	-
Total	2,920,007	2,969,025	424,150	388,895

Trade and other payables are denominated in the following currencies:

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	(Unaudited) S\$	(Audited) S\$	(Unaudited) S\$	(Audited) S\$
Singapore dollar	433,565	401,956	424,150	388,895
United States dollar	2,486,442	2,567,069	-	-
	2,920,007	2,969,025	424,150	388,895

⁽¹⁾ Amount due to director which is non-trade in nature and interest-free, is related to the payment of non-trade expenses by a director on behalf of the Company.

⁽²⁾ Loan from Executive Chairman in crypto assets is interest-free and repayable on demand.

⁽³⁾ Included in non-current liability as at 30 June 2024 are advances in crypto assets received from a third party of S\$1,998,008 (31 December 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	
	30 June 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 30 June 2024 and 31 December 2023 ⁽²⁾	-	40,574
Advances from customer ⁽³⁾		
At 1 January	-	32,721
Recognised as revenue	-	(32,721)
At 30 June 2024 and 31 December 2023	-	-
Total	-	40,574
Analysed as		
- Current	-	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\$0.2 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 principal 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 and Company's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 June 2024 (Unaudited)		As at 31 December 2023 (Audited)	
Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
-	-	-	-

Amount repayable after one year

As at 30 June 2024 (Unaudited)		As at 31 December 2023 (Audited)	
Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
-	4,217,000	-	4,137,200

Loans and borrowings

On 28 June 2024, 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\$2,717,000 ⁽¹⁾) respectively to 1 January 2026.

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 28 June 2024, the controlling shareholder of the Company agreed to extend the repayment date of the interest free loan of S\$1,100,000 to 1 January 2026.

⁽¹⁾ US\$2,000,000 @ USD/SGD closing rate of 1.3585 as at 30 June 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 of S\$0.06922 per share. 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	
	30 June 2024	31 December 2023
	(Unaudited) S\$	(Audited) S\$
Liability component at the reporting date	2,024,165	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			
	2024		2023	
	(Unaudited)		(Audited)	
	No. of shares	Amount S\$	No. of shares	Amount S\$
<u>Issued and paid-up share capital</u>				
At 1 January	187,360,841	23,830,385	187,222,569	23,830,385
Issuance of new ordinary shares ⁽¹⁾	-	-	138,272	-
At 31 March	187,360,841	23,830,385	187,360,841	23,830,385
Issuance of new ordinary shares ⁽²⁾	600,000	-	-	-
At 30 June	187,960,841	23,830,385	187,360,841	23,830,385

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

⁽²⁾ On 23 May 2024, the Company issued and allotted 600,000 ordinary shares under the Performance Share Plan.

The Company did not have any outstanding convertible notes, treasury shares or subsidiary holdings as at 30 June 2024 and 30 June 2023

Outstanding Convertible Notes Due on 29 December 2024

The Company had on 30 December 2022 issued US\$1,490,000 3.5% per annum convertible notes due on 29 December 2024 at an initial minimum conversion price of S\$0.0692 per share. For further details please refer to note 17 of the unaudited condensed interim financial statements.

Based on the initial minimum conversion price of S\$0.0692 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 30 June 2024 (31 December 2023: approximately 29,067,919 shares).

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- 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 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Total number of issued shares	187,960,841	187,360,841

The Company did not have any treasury shares as at 30 June 2024 and 31 December 2023.

- 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 sales, transfers, cancellation and/or use of subsidiary holdings during and as at the end of 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 30 June		6 months ended 30 June	
	2Q 2024	2Q 2023	1H 2024	1H 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss attributable to the owners of the Group (S\$)	(1,278,688)	(844,752)	(1,103,836)	(583,899)
Weighted average number of ordinary shares in issue	187,617,984	187,360,841	187,424,775	187,269,192
Basic loss per share (cents)	(0.68)	(0.45)	(0.59)	(0.31)
Weighted average number of ordinary shares (diluted) in issue	187,617,984	187,360,841	187,424,775	187,269,192
Diluted loss per share (cents)	(0.68)	(0.45)	(0.59)	(0.31)

Diluted earnings per share is the same as basic earnings per share due to the absence of any dilutive financial instruments for the financial period ended 30 June 2024 and 30 June 2023 respectively.

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20. Net Liability Value

Net 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	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net liability value (S\$)	(4,697,603)	(3,705,536)	(3,290,324)	(2,388,267)
Number of ordinary shares in issue	187,960,841	187,360,841	187,960,841	187,360,841
Net liability value per ordinary share (cents)	(2.50)	(1.98)	(1.75)	(1.27)

21. Subsequent Events

In the Company's announcements of 3 April 2024 and 8 April 2024 in respect of the Letter of Demand, and on 18 April 2024 in relation to the Originating Claim and Statement of Claim (collectively, the "**Claim**") filed by Mr Fan Chee Seng ("**Mr Fan**"), the former Executive Chairman of the Company, in the State Courts of the Republic of Singapore (the "**Court**") in relation to alleged wrongful termination of Mr Fan's employment.

The Company announced that we were informed by its solicitors that the outcome of the hearing, held on 30 July 2024 at the Court in relation to the Claim were as follows:

- i) the Court granted the Company's striking out application and struck out the whole of Mr Fan's Claim and dismissed Mr Fan's application for summary judgment to be granted against the Company for the sum of S\$91,000, interest thereon, and costs;
- ii) the Court also ordered Mr Fan to pay the Company the sum of approximately S\$12,000 in costs and disbursements.

The Company has also been informed by its solicitors that Mr Fan has 14 days to file a notice of appeal against the decision, if he wishes to.

The Company will continue to liaise with its solicitors and will take steps to respond to any further legal proceedings as may be necessary.

Further announcements will be made by the Company in respect of any material developments, in compliance with its obligations under the SGX-ST Catalist Rules.

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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.

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 30 June 2024 ("1H 2024") and 30 June 2023 ("1H 2023")

CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Financial Performance – 1H 2024 vs 1H 2023

Revenue

Revenue decreased by approximately S\$0.6 million or 63.4% to approximately S\$0.3 million in 1H 2024, compared with approximately S\$0.9 million in 1H 2023 mainly due to a decrease in staking services of approximately S\$0.6 million, resulting from (i) lower digital wallets and staking services of approximately S\$0.1 million, (ii) absence of research and development services in 1H 2024 (1H 2023: S\$0.3 million) and (iii) lower revenue agency service fee of approximately S\$0.1 million.

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Cost of sales, gross profit and gross profit margin (GPM)

Cost of sales decreased by approximately S\$2,000 or 2.0% to approximately S\$109,000 in 1H 2024, compared with approximately S\$111,000 in 1H 2023 mainly due to lower cost of outsourcing services.

Gross profit decreased by approximately S\$0.6 million or 71.8% to approximately S\$0.2 million in 1H 2024, compared with approximately S\$0.8 million in 1H 2023, in line with the decrease in revenue. The overall GPM decreased by 20.3 percentage points, to 67.6% in 1H 2024 compared with 87.9% in 1H 2023, mainly due to lower revenue.

Other operating income

Other operating income increased by approximately S\$264,000 or 125.1% to approximately S\$475,100 in 1H 2024, compared with approximately S\$211,000 in 1H 2023. This was mainly attributable to gain on disposal of crypto assets of approximately S\$474,000, offset by absence of government grant of approximately S\$10,000, and there was no reversal of impairment loss on crypto assets in the current period (1H 2023: S\$199,000).

Operating Expenses

Selling and distribution expenses registered an income of approximately S\$22,000 in 1H 2024 due to recognition of a credit note for marketing expense in relation to the last financial year, and there was no selling and distribution expense for 1H 2024 due to cost saving measures adopted by the Group.

Administrative expenses decreased by approximately S\$159,000 or 10.9% to approximately S\$1,305,000 in 1H 2024, compared with approximately S\$1,464,000 in 1H 2023. The decrease in administrative expenses was mainly attributable to lower staff-related costs of approximately S\$210,000 due to lower headcount, offset by higher amortisation of software development costs of approximately S\$45,000, and higher professional fees of approximately S\$7,000.

Other operating expenses increased by approximately S\$403,000, to approximately S\$486,000 in 1H 2024 (1H 2023: S\$83,000). The increase in operating expenses was mainly due to impairment loss on crypto assets of approximately S\$350,000 and higher net foreign exchange loss of approximately S\$53,000.

Finance costs

Finance costs was relatively unchanged at S\$36,000 in 1H 2024 (1H 2023: 36,000), which comprised of interest on lease liabilities and accrued interest for the convertible notes.

Income tax expenses

No income tax expenses were recognised in both 1H 2024 and 1H 2023 due to the loss position in the respective financial period.

Total comprehensive loss for the financial period

As a result of the above, comprehensive loss for the financial period increased by approximately S\$0.5 million or 89.0% to approximately S\$1.1 million in 1H 2024, compared with approximately S\$0.6 million in 1H 2023.

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Financial Performance – 2Q 2024 vs 2Q 2023

Revenue

Revenue decreased by approximately S\$285,000 or 65.5% to approximately S\$150,000 in 2Q 2024, compared with approximately S\$435,000 in 2Q 2023 due to lower staking services, mainly resulting from (i) lower digital wallets and staking services of approximately S\$59,000, (ii) absence of research and development services in 2Q 2024 (2Q 2023: S\$145,000) and (iii) absence of agency service fees (2Q 2023: S\$81,000).

Cost of sales, gross profit and gross profit margin (GPM)

Cost of sales decreased by approximately S\$3,000 or 5.8% to approximately S\$53,000 in 2Q 2024, compared with approximately S\$56,000 in 2Q 2023 mainly due to lower cost of outsourcing services.

Gross profit decreased by approximately S\$282,000 or 74.4% to approximately S\$97,000 in 2Q 2024, compared with S\$379,000 in 2Q 2023, in line with the decrease in revenue. The GPM decreased by 22.4 percentage points to 64.7% in 2Q 2024, compared with 87.1% in 2Q 2023 mainly due to lower revenue.

Other operating income

Other operating income increased by approximately S\$6,000 or 48.1% to approximately S\$19,000 in 2Q 2024, from S\$13,000 in 2Q 2023 mainly due to gain on disposal of crypto assets of approximately S\$18,000 in 2Q 2024, offset by absence of government grant recognised of approximately S\$11,000 and lower other income of approximately S\$1,000.

Operating Expenses

No selling and distribution expenses was incurred in 2Q 2024 and 2Q 2023, except for the recognition of a credit note on marketing services in 2Q 2024, which related to last financial year of approximately S\$22,000.

Administrative expenses decreased by approximately S\$57,000 or 7.6% to S\$696,000 in 2Q 2024 compared with approximately S\$754,000 in 2Q 2023, mainly due to lower staff-related costs by approximately S\$110,000 due to lower headcount, lower professional fees of approximately S\$7,000 and lower depreciation charges by approximately S\$4,000, offset by higher recruitment expenses of approximately S\$46,000 and higher amortisation of software development costs of approximately S\$18,000.

Other operating expenses increased by approximately S\$237,000 or 51.0% to approximately S\$701,000 in 2Q 2024, from approximately S\$464,000 in 2Q 2023 mainly due to increase in impairment loss on crypto asset of approximately S\$295,000, offset by lower net foreign exchange loss of approximately S\$34,000 and absence of loss on disposal on crypto asset of approximately S\$24,000.

Finance costs

The finance costs, which comprise of interest on lease liabilities and accrued interest for the convertible notes, was relatively unchanged at approximately S\$18,000 for 2Q 2024 and 2Q 2023.

Income tax expenses

No income tax expenses were recognised in both 2Q 2024 and 2Q 2023 due to the loss position in the respective financial period.

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Total comprehensive loss for the financial period

As a result of the above, comprehensive loss for the financial period increased by approximately S\$0.4 million or 51.4% to approximately S\$1.3 million in 2Q 2024, from approximately S\$0.8 million in 2Q 2023.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Non-current assets decreased by approximately S\$634,000 to approximately S\$4,375,000 as at 30 June 2023 compared with approximately S\$5,009,000 as at 31 December 2023 due to a decrease in intangible assets of approximately S\$667,000 and a decrease in plant and equipment of approximately S\$1,000, offset by an increase in right-of-use assets of approximately S\$34,000.

The decrease in intangible assets was mainly due to (i) decrease in crypto assets of approximately S\$490,000 resulting from the conversion of crypto assets to fiat money and lower fair value of crypto assets due to lower market price as at 30 June 2024 as compared to 31 December 2023, and (ii) decrease in carrying amount of software development of approximately S\$230,000 due to amortisation charges, offset by increase in goodwill on acquisition of approximately S\$53,000 due to foreign currency translation difference. The decrease in plant and equipment was mainly due to disposal of certain items classified under renovation. The increase in right-of-use assets was due to an addition of new office premises lease entered in February 2024.

Current assets decreased by approximately S\$0.2 million to approximately S\$0.4 million as at 30 June 2024 compared with approximately S\$0.6 million as at 31 December 2023. The decrease was mainly due to a reduction in cash and bank balances of approximately S\$0.2 million. Please refer to the Statement of Cash Flows for the details.

Non-current liabilities increased by approximately S\$167,000 to approximately S\$6,441,000 as at 30 June 2024 from approximately S\$6,274,000 as at 31 December 2023. The increase was mainly due to (i) increase in loans from shareholders resulting from foreign currency translation difference of approximately S\$80,000, (ii) increase in lease liabilities of approximately S\$29,000 mainly due to addition of a new office premises lease entered in February 2024 and (iii) increase in trade and other payables due to foreign currency translation difference on the advances in crypto assets of S\$59,000.

Current liabilities decreased by approximately S\$85,000 to approximately S\$2,985,000 as at 30 June 2024 from approximately S\$3,070,000 as at 31 December 2023. The decrease was primarily due to (i) reduction in trade and other payables by approximately S\$108,000 mainly due to repayment, and (ii) decrease in contract liabilities of approximately S\$41,000 due to fulfilment of contract obligation in February 2024, offset by (i) increase in convertible notes by approximately S\$59,000 due to foreign currency translation differences and (ii) increase in lease liabilities by approximately S\$4,000 due to addition of a new office premises lease entered in February 2024.

The shareholders' equity decreased by approximately S\$1.0 million from a deficit of approximately S\$3.7 million as at 31 December 2023 to a deficit of approximately S\$4.7 million as at 30 June 2024, mainly attributable to the losses recorded for the current financial period.

The Group recorded a negative working capital of approximately S\$2.6 million as at 30 June 2024 as compared to a negative working capital of approximately S\$2.4 million as at 31 December 2023.

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Notwithstanding the negative net working capital position and deficit in 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\$1,166,109 which can be converted to fiat currencies are included in the intangible assets in the non-current assets;
- (b) The current liabilities which would not lead to the actual cash payment by the company which is the non-cash share-based compensation of S\$30,000 (included in trade and other payables);
- (c) 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 28 June 2024, the controlling shareholder of the Company agreed to extend the repayment date of the interest free loan to 1 January 2026;
- (d) The convertible notes of S\$2,024,165, 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 S\$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;
- (e) A controlling shareholder of the Company has agreed to provide continuing financial support to the Group and the Company for fifteen (15) months from 1 July 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

1H 2024 vs 1H 2023

The Group's net cash outflow in operating activities was approximately S\$1.3 million in 1H 2024. This consisted of cash used in operating activities before changes in working capital of approximately S\$1.2 million, and net working capital outflow of approximately S\$0.1 million. It was noted that Moonstake Group received a part of its revenue in crypto of approximately S\$0.3 million during 1H 2024 which was accounted under intangible assets as at 30 June 2024 and not treated as cash and cash equivalents for accounting purposes.

A net cash inflow of approximately S\$0.9 million was recorded in investing activities in 1H 2024, primarily due to the conversion of crypto assets into fiat currency of approximately S\$0.9 million.

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A net cash outflow of approximately S\$22,000 was recorded in financing activities in 1H 2024. This was due to payment of lease liabilities and interest.

As at 30 June 2024, the cash and cash equivalents stood approximately at S\$0.3 million, a decrease of approximately S\$0.2 million, compared with approximately S\$0.5 million as at 31 December 2023.

2Q 2024 vs 2Q 2023

The Group's net cash outflow in operating activities was approximately S\$0.6 million in 2Q 2024. This mainly consisted of cash used in operating activities before changes in working capital of approximately S\$0.6 million. It was noted that Moonstake Group received a part of its revenue in crypto of approximately S\$0.1 million during 2Q 2024 which was accounted under intangible assets as at 30 June 2024 and not treated as cash and cash equivalents for accounting purposes.

A net cash inflow of approximately S\$0.2 million was recorded in investing activities in 2Q 2024, primarily due to the conversion of crypto assets into fiat money of approximately S\$0.2 million.

A net cash outflow of approximately S\$10,000 was recorded in financing activities in 2Q 2024 due to payment of lease liabilities and interest.

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.

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.

Ethereum staking is nearing its all-time high driven by increasing staking reward rates by approximately 5% on a month-on-month basis. As of 18 July 2024, over 33.2 million Ethereum accounting for about 28% of the total supply were staked.⁽¹⁾

Spot ETH exchange-traded funds ("ETF") started trading on 23 July 2024.⁽²⁾ The Securities and Exchange Commission ("SEC") is currently reassessing the potential inclusion of features such as staking and in-kind creation/redemption in crypto ETFs. The latter could increase further market participation as it allows ETF managers to exchange ETF shares for the underlying assets without triggering taxable events.⁽³⁾

The debut of Ethereum ETF as well as the increase in staking rates are strong signals on the increasing acceptance of crypto assets as a mainstream by investors.

Although the Group is not involved in any ETF activities but given the slew of positive developments in the crypto space, the Group is confident about the fundamentals of the blockchain technology and is cautiously optimistic about the long-term growth potential of our staking business.

⁽¹⁾ <https://decrypt.co/240334/ethereum-staking-near-all-time-high-etfs-rewards>

⁽²⁾ <https://www.barrons.com/articles/ethereum-etfs-which-buy-fba88b5e>

⁽³⁾ <https://cryptoslate.com/staking-and-in-kind-redemptions-for-crypto-etfs-can-be-reconsidered-says-sec-commissioner/>

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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 30 June 2024 in view of the loss incurred during the financial period and to conserve cash for the Group's business operations and growth.

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 1H 2024 as required to be disclosed pursuant to Rule 1204(17) of the Catalist Rules.

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

Not applicable.

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 interim condensed financial statements of the Group for the second quarter and six months ended 30 June 2024 to be false or misleading in any material aspect.

Yusaku Mishima
Executive Chairman

Foo Kia Juah
Lead Independent Non-Executive Director

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 Catalyst 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 Catalyst Listing Manual.

BY ORDER OF THE BOARD

Yusaku Mishima

Executive Chairman

8 August 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 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. Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.