

OIO HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201726076W)

PROPOSED SUBSCRIPTION FOR 6,565,300 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

1. INTRODUCTION

The board of directors ("**Board**" or the "**Directors**") of OIO Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has today entered into separate subscription agreements (the "**Subscription Agreements**") with each of the Subscribers (as defined below), pursuant to which the Subscribers will subscribe for, and the Company will allot and issue to the Subscribers, an aggregate of 6,565,300 new ordinary shares (each a "**Subscription Shares**") in the capital of the Company at an issue price of S\$0.527 for each Subscription Shares (the "**Issue Price**"), amounting to an aggregate gross consideration of US\$2,542,000 (amounting to approximately S\$3,459,916¹) (the "**Proposed Subscription**").

As at the date of this Announcement, the Company has an issued share capital of S\$20,410,817 comprising 180,284,439 ordinary shares ("**Shares**"). Immediately following the completion of the Proposed Subscription, the Company will have an enlarged issued and paid-up capital of S\$23,870,733 comprising 186,849,739 Shares of the Company. The Subscription Shares would represent approximately 3.64% of the issued Shares of the Company as at the date of this Announcement and approximately 3.51% of the issued Shares comprised in the enlarged share capital of the Company immediately after completion of the Proposed Subscription.

2. DETAILS OF THE PROPOSED SUBSCRIPTION

2.1. Subscribers and Subscription Shares

Pursuant to the Subscription Agreement, the following persons (the "**Subscribers**") will subscribe for, and the Company will allot and issue to them, the Subscription Shares at the Issue Price in the numbers and for the consideration set out below:

Name of Subscriber	Number of Subscription Shares	Consideration (US\$)	Existing interest in Shares (Direct or Deemed)]	Interest in Shares after Proposed Subscription (Direct or Deemed)	Percentage shareholding (Direct or Deemed) of the enlarged issued share capital of the Company
BEST AMENITY Co., Ltd.	1,131,236	438,000	Nil	1,131,236	0.61%
Yoshihiko Oike	1,131,236	438,000	Nil	1,131,236	0.61%
Satoshi Hattori	774,819	300,000	Nil	774,819	0.41%
Tetsuya Sasaki	774,819	300,000	Nil	774,819	0.41%
Noboru Ohshima	679,258	263,000	Nil	679,258	0.36%
Arashi Masuda	565,618	219,000	Nil	565,618	0.30%

¹ Based on the rate of S\$1.3611 per unit of US\$ for the month of September 2021 published on <https://eservices.mas.gov.sg/Statistics/msb/ExchangeRates.aspx>

Tadaki Nagamura	495,884	192,000	Nil	495,884	0.27%
Tatsuya Kimura	495,884	192,000	Nil	495,884	0.27%
Hiroaki Gotoh	258,273	100,000	Nil	258,273	0.14%
Ryuichi Asai	258,273	100,000	Nil	258,273	0.14%
	6,565,300	2,542,000	-	6,565,300	3.51%

All of the Subscribers were approached by the Company through introduction made by Mr. Mitsuru Tezuka (“**Mr. Tezuka**”), who is the substantial shareholder of the Company, as part of the Company’s continual engagement with potential capital providers. Further details of the Subscribers and rationale of investing in the Company are set out below:

- BEST AMENITY Co., Ltd. is an entity in Japan operating a business related to healthy food distribution and other related areas. Hiroshi Uchida is the majority owner and a director of BEST AMENITY Co., Ltd. BEST AMENITY Co., Ltd. is also a major shareholder of Sagan Dreams Co., Ltd., which is a company incorporated in Japan and manages Sagan Tosu, a Japanese professional football club. Hiroshi Uchida is also the chairman of Sagan Dreams Co., Ltd. Sagan Dreams Co., Ltd., is currently exploring a possible entry into businesses related to Non-Fungible Tokens (“**NFT**”) supported by blockchain technology in order to leverage its intellectual properties.
- Noboru Ohshima, Yoshihiko Oike, Satoshi Hattori, Tetsuya Sasaki, Arashi Masuda, Tadaki Nagamura, Hiroaki Gotoh, Tatsuya Kimura and Ryuichi Asai are individual investors who are acquaintances of Mr. Tezuka and are entrepreneurs involved in the various businesses of retail, consulting, telecommunication, trading, logistics, software development, consulting, healthcare and construction in Japan.

All of the Subscribers are experienced investors in the blockchain and digital assets area looking for investment opportunities in the blockchain industry and are interested in investing in the growth of the Group’s blockchain business via the Proposed Subscription.

The Company did not appoint any placement agent for purposes of the Proposed Subscription, and no commission or introduction fees is payable by the Company in relation to the introduction of the Subscribers to the Company or in connection with the issuance and allotment of the Subscription Shares.

As at the date of this announcement, the Subscribers:

- have no shareholding interests in the Company;
- are not related to any of the Directors, substantial shareholders of the Company or their respective associates;
- are not restricted persons under Rule 812(1) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”);
- are not co-operating, pursuant to an agreement or undertaking (whether formal or informal), with any existing shareholders of the Company, to obtain or consolidate effective control of the Company through the acquisition of shares in the Company under their respective Subscription Agreements;
- are not acting in accordance with any instruction or influence of any party in relation to the issuance and allotment of the Subscription Shares; and
- are not acquiring the Subscription Shares for and/or on behalf of any other persons (whether as a nominee or agent or otherwise) besides itself, with a view to the resale

or distribution of any part thereof and/or with an intention of selling, granting any participation in, or otherwise distributing the same in violation of law.

Save as set out above and in respect of the Proposed Subscription, there is no past and/or current relationship (including but not limited to business relationships) between the Subscribers and the Directors, substantial shareholders of the Company or their respective associates.

The allotment and issuance of the Subscription Shares to the Subscribers will not result in a transfer of controlling interest in the Company.

The Subscription Shares, when allotted and issued, shall rank *pari passu* with, and shall carry all rights similar to, the then existing issued ordinary shares of the Company, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the completion of the Proposed Subscription.

2.2. Issue Price

The Issue Price represents a discount of approximately 9.91% to the volume weighted average price of S\$0.585 for trades done on the SGX-ST for the full market day on 20 October 2021, being the last market day for which the shares of the Company were traded on the SGX-ST prior to the execution of the Subscription Agreement.

The Issue Price was arrived at following arm's length negotiations between the Company and the Subscribers, taking into account the prevailing Share price and the financial position and prospects of the Company.

2.3. Conditions Precedent

Completion of the Proposed Subscription ("**Completion**") is conditional upon:

- (a) the approval in-principle for the listing of and quotation for the Subscription Shares on the Catalist of the SGX-ST having been obtained and not having been revoked, and where such approval is subject to conditions, (i) such conditions being reasonably acceptable to the Company and the Subscribers and (ii) if such conditions are required to be fulfilled on or before Completion, such conditions are so fulfilled;
- (b) the allotment, issue and subscription of the Subscription Shares and all the transactions contemplated in the Subscription Agreements not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreements by any legislative, executive or regulatory body or authority (including, without limitation, the Monetary Authority of Singapore ("**MAS**") and the SGX-ST) in Singapore or elsewhere, which is applicable to either the Company or any of the Subscribers, including the provisions of the Catalist Rules or the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**");
- (c) if required under the applicable laws, rules and regulations, the Company obtaining the approval of its shareholders in relation to the allotment, issue and subscription of the Subscription Shares at an extraordinary general meeting to be convened by the Company; and
- (d) the representations, warranties and undertakings by the Company and the Subscribers remaining true and correct in all material respects as if made on the date of Completion, with reference to the then existing facts and circumstances, and each of them having performed all of its/his obligations under their respective Subscription Agreements to be performed on or before Completion.

If any of the conditions is not satisfied or waived on or before six (6) months from the date of the respective Subscription Agreements or such later date as the Company and the relevant Subscribers may agree in writing, the subscription of the Subscription Shares by the relevant

Subscribers under their respective Subscription Agreement will not proceed and the relevant Subscription Agreement(s) will lapse and cease and no parties will have any claims against any other party, save for any antecedent breach of the relevant Subscription Agreement(s). For the avoidance of doubt, none of the Subscription Agreements are inter-conditional and the termination and/or lapse of any Subscription Agreement(s) does not affect the subscription of the Subscription Shares under the remaining Subscription Agreements.

2.4. Moratorium on Subscription Shares

Under the terms of the Subscription Agreements, each of the Subscribers will undertake, upon Completion and for a period of three (3) months from the date of Completion, not to:

- (a) reduce his/her effective shareholding interest in the Subscription Shares;
- (b) sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option or right to purchase, sell any option or contract to purchase, purchase any option or contract to sell, grant any security over, encumber (such as by way of mortgage, assignment of rights, charge, pre-emption rights, rights of first refusal or otherwise) or otherwise transfer or dispose of any or all of the Subscription Shares whether such transaction is settled by delivery of such Subscription Shares, in cash or otherwise;
- (c) enter into any agreement or arrangement (including any swap, hedge or derivative transaction) that will directly or indirectly constitute or will be deemed as a disposal of or transfer (in whole or in part) of any or all of the Subscription Shares, whether such transaction is settled by delivery of such Subscription Shares, in cash or otherwise;
- (d) deposit any or all of the Subscription Shares in any depository receipt facilities, whether any such transaction described above is to be settled by the delivery of Subscription Shares, in cash or otherwise;
- (e) enter into any transaction which is designed or which may reasonably be expected to result in or have the same effect (economic or otherwise) as (in whole or in part) any of the above; or
- (f) offer or agree to make any announcement with respect to any of the foregoing transactions or publicly disclose any intention to do any of the above.

3. RATIONALE AND USE OF PROCEEDS

The estimated net proceeds (the “**Net Proceeds**”) from the Proposed Subscription, after deducting estimated expenses, will amount to approximately S\$3,449,916.

The Board believes that the Proposed Subscription will strengthen the Group’s balance sheet and financial position and provide flexibility to capitalise on growth opportunities and to expand and grow its blockchain business via an injection of funds into the Company for potential business investments and/or acquisitions as and when they arise. Both Proposed Subscription and September Share Issuance (as defined below) are part of the Group’s ongoing fund raising efforts to enhance the Group’s financial capacity, strengthen the Group’s balance sheet and to capture the growth opportunities in the fast-moving blockchain industry.

The Company intends to utilise 100% of the Net Proceeds for the following purposes. To clarify, the proposed use of the Net Proceeds is consistent with the proposed use of the September Placement Proceeds (as defined below) as announced by the Company on 9 September 2021.

Proposed use of Net Proceeds ⁽¹⁾	% of Net Proceeds
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Financing the Group's business expansion (including organic expansion and mergers and acquisitions)	60%
Working capital and general corporate purposes (including the repayment of the Group's liabilities) ⁽²⁾	40%

Note:

- (1) The Company shall update shareholders re-allocation of the proceeds, if any, as and when appropriate on the SGXNet.
- (2) For the avoidance of doubt, this allocation of the Net Proceeds is for purposes of the Group's working capital and general corporate purposes other than the Moonstake Working Capital (as defined below).

Pending the utilisation of the Net Proceeds for such purposes, such proceeds may be placed in deposits with banks or financial institutions or invested in short-term money markets or debt instruments or for any other purpose on a short-term basis as the directors may, in their absolute discretion, deem fit from time to time.

The Company will make periodic announcements on the utilisation of the Net Proceeds from the Proposed Subscription as and when such proceeds are materially disbursed and provide a status report of the use of proceeds from the Proposed Subscription in the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company shall announce the reasons for such deviation when such funds are materially disbursed.

3.1. Use of Notes Proceeds

For completeness, reference is made to the Company's announcements dated 29 March 2021, 31 March 2021, 9 April 2021, 23 April 2021 and 31 May 2021 in relation to the (a) Company's issuance of 8.00% convertible notes ("**Notes**") for an aggregate principal amount of US\$2,400,000 ("**Notes Issuance**"); and (b) the completion of the Company's acquisition of Moonstake Pte. Ltd. and Moonstake Limited ("**Moonstake Completion**") and the automatic conversion of the Notes to 17,932,584 new Shares in the Company on 31 May 2021. As announced by the Company on 29 March 2021, the net proceeds from the Notes Issuance amounted to US\$2,369,000 ("**Notes Proceeds**").

As announced by the Company on 29 March 2021, (a) US\$869,000 of the Notes Proceeds are intended to be used as working capital (including the working capital required by the Group's subsidiary, OIO Singapore Pte. Ltd.) and general corporate purposes of the Company (including the repayment of the Company's liabilities including recurring professional fees) ("**OIO Working Capital**"); and (b) US\$1,500,000 of the Notes Proceeds are intended to be used as the working capital (including sales and marketing expenses and software development/maintenance expenses) of Moonstake Pte. Ltd. and Moonstake Limited following the Moonstake Completion ("**Moonstake Working Capital**").

As at the date of this Announcement, US\$869,000 of the Notes Proceeds have been fully utilized for the OIO Working Capital and US\$506,554 of the Notes Proceeds have been used for the Moonstake Working Capital, leaving a balance of US\$993,446 of the Notes Proceeds not yet utilised for the Moonstake Working Capital, as set out in the table below:-

Purposes	Allocation of Net Proceeds Received (US\$)	Amount Utilized (US\$)	Balance (US\$)
Working capital for Moonstake Pte Ltd and Moonstake Limited including sales and marketing expenses and software development/ maintenance expenses	1,500,000	(506,554)	993,446

Working capital (including working capital required by the Group's newly set-up blockchain subsidiary, OIO Singapore Pte. Ltd.) and general corporate purposes (including the repayment of the Company's liabilities including recurring professional fees)	869,000	(869,000)	-
Total	2,369,000	(1,375,554)	993,446

The above utilisation of the Notes Proceeds is in accordance with the intended use of the Notes Proceeds as stated in the Company's announcement dated 29 March 2021.

3.2. Use of September Placement Proceeds

For completeness, reference is also made to the Company's announcements dated 9 September 2021, 18 September 2021, 28 September 2021 and 30 September 2021 in relation to the Company's issuance of 894,841 ordinary shares for an aggregate principal amount of US\$400,000 ("**September Share Issuance**"). As announced by the Company on 9 September 2021, the net proceeds from the September Share Issuance amounted to US\$400,000 ("**September Placement Proceeds**").

As announced by the Company on 9 September 2021, (a) 60% of the September Placement Proceeds are intended to be used Financing the Group's business expansion (including organic expansion and mergers and acquisitions); and (b) 40% of the September Placement Proceeds are intended to be used Working capital and general corporate purposes (including the repayment of the Group's liabilities) other than the Moonstake Working Capital.

As at the date of this Announcement, US\$75,902 of the September Placement Proceeds have been used for Working capital and general corporate purposes, leaving a balance of US\$324,098 of the September Placement Proceeds not yet utilised, as set out in the table below:-

Purposes	Allocation of Net Proceeds Received (US\$)	Amount Utilized (US\$)	Balance (US\$)
Financing the Group's business expansion (including organic expansion and mergers and acquisitions)	240,000	-	240,000
Working capital and general corporate purposes (including the repayment of the Group's liabilities) other than the Moonstake Working Capital	160,000	(75,902)	84,098
Total	400,000	(75,902)	324,098

The above utilisation of the September Placement Proceeds is in accordance with the intended use of the September Placement Proceeds as stated in the Company's announcement dated 9 September 2021.

4. FINANCIAL EFFECTS

The financial effects of Proposed Subscription on the Company are prepared based on the latest available financial statements of the Company for a full financial year (i.e. the audited financial statements for the full financial year ended 31 December 2020 as announced on 14 April 2021).

The financial effects below are purely **for illustrative purposes only** and do not reflect the actual financial performance or position of the Company and the Group after the Proposed Subscription.

4.1. Share Capital

	Before the Proposed Subscription	After the Proposed Subscription
Number of Shares	180,284,439	186,849,739

Note:

(1) Based on the number of Shares outstanding as at the date of this Announcement.

As at the date of this Announcement, the existing share capital of the Company is approximately \$20,410,817 comprising 180,284,439 Shares. On Completion, the Company will have an enlarged issued share capital of approximately S\$23,870,733 comprising 186,849,739 Shares.

4.2. Earnings per ordinary share ("EPS")

Assuming that the Proposed Subscription was completed on 1 January 2020, the effect on the Company's EPS for the financial year ended 31 December 2020 would be as follows:

	Before the Proposed Subscription	After the Proposed Subscription
Loss attributable to shareholders of the Company (S\$'000)	(838,918)	(848,918)
Number of ordinary shares in issue	121,108,700	127,674,000
EPS (SGD cents)	(0.69)	(0.66)

4.3. Net Tangible Assets ("NTA") per Share

Assuming that the Proposed Subscription was completed on 31 December 2020, the effect on the Company's NTA per Share as at 31 December 2020 would have been as follows:

	Before the Proposed Subscription	After the Proposed Subscription
NTA	(3,823,460)	(373,544)
Number of ordinary shares in issue	121,108,700	127,674,000
NTA per Share (SGD cents)	(3.16)	(0.29)

5. **DIRECTORS' OPINION**

The Directors are of the opinion that (i) assuming the Proposed Subscription is not undertaken, the working capital available to the Group is sufficient to meet its present requirements with financial support by the Company's controlling shareholder, North Venture Pte. Ltd, the balance of Notes Proceeds of [US\$1,150,742] and the balance of September Placement Proceeds of [US\$340,517], and that (ii) after taking into consideration the Net Proceeds from the issue and subscription of the Subscription Shares, the working capital available to the Group is sufficient to meet its present requirements.

As at the date of this announcement, the Group does not have any present bank facilities.

6. **APPROVALS**

The Company, through its sponsor, PrimePartners Corporate Finance Pte. Ltd, will be making an application to the SGX-ST for the listing and quotation of the Subscription Shares on Catalist. The Company will make the necessary announcements once the listing approval in respect of the Subscription Shares has been obtained.

7. AUTHORITY FOR ISSUE OF SUBSCRIPTION SHARES

The Subscription Shares will be issued pursuant to the general mandate approved by the Company's shareholders at the annual general meeting of the Company held on 27 August 2021 ("**2021 Share Issue Mandate**").

The 2021 Share Issue Mandate authorises the Directors to allot and issue new Shares and/or convertible securities of not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the 2021 Share Issue Mandate (being 179,389,598 Shares), of which the aggregate number of Shares to be issued other than on a pro rata basis to existing shareholders shall not be more than 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the 2021 Share Issue Mandate (being approximately 89,694,799 Shares).

894,841 Shares were previously issued under the 2021 Share Issue Mandate in connection with the September Share Issuance and as such, the total number of Shares that may be issued pursuant to the 2021 Share Issue Mandate is 178,494,757 Shares, of which the number of Shares to be issued other than on a pro rata basis is 88,799,958 Shares.

Accordingly, the proposed issuance and allotment of the 6,565,300 Subscription Shares will be within the limits of the 2021 Share Issue Mandate and specific shareholder approval from Shareholders for the issuance and allotment of the Subscription Shares is not required.

8. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

The Proposed Subscription will be undertaken by way of a private placement pursuant to the exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be lodged with the SGX-ST acting as agent on behalf of the MAS in connection with the issuance of the Subscription Shares.

For purposes of Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018, the Subscription Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and their respective associates, and (to the best of knowledge of the Directors, none of the substantial shareholders of the Company and their respective associates has any interest, direct or indirect, in the Subscription Agreements and transactions contemplated therein, other than through their respective directorships and/or shareholding interests, if any, in the Company.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Subscription, the Subscription Agreements and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the

Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the respective Subscription Agreements are available for inspection during normal business hours at the registered office of the Company at 140 Paya Lebar Road, #08-07, AZ @ Paya Lebar, Singapore 409015 for a period of three (3) months from the date of this announcement.

Shareholders who wish to inspect the document at the registered office of the Company are required to send an email request to investor.relations@oio.sg to make an appointment in advance. The Company will arrange a date when each shareholder can come to the registered office to inspect accordingly. The inspection of documents will be arranged with each shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

12. TRADING CAUTION

Shareholders and potential investors of the Company are advised to read this Announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

BY ORDER OF THE BOARD

Fan Chee Seng
Executive Chairman
20 October 2021

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.

The contact person for the Sponsor is Mr. Joseph Au, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.