

CIRCULAR DATED 4 JUNE 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

IF YOU ARE IN ANY DOUBT ABOUT ITS CONTENTS OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER INDEPENDENT PROFESSIONAL ADVISERS IMMEDIATELY.

If you have sold or transferred all your Shares held through the Central Depository (Pte) Limited (“CDP”), you need not forward this Circular to the purchaser or transferee as CDP will arrange for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares which are not deposited with CDP, you should immediately forward this Circular, the Notice of the Extraordinary General Meeting and the attached proxy form to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer of shares was effected for onward transmission to the purchaser or the transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”), in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist (the “Catalist Rules”).

This Circular has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).

This Circular has been made available on SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://dlfholdings.sg/announcements/>. In view of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, a printed copy of this Circular will NOT be despatched to Shareholders.

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the proceedings of the EGM via “live” webcast or listening to the proceedings of the EGM via “live” audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.

Please refer to section 13 of this Circular and the Company's announcement dated 4 June 2020 entitled “Information Relating to Annual General Meeting and Extraordinary General Meeting to be Held on 26 June 2020” which has been uploaded together with this Circular on SGXNET for further information, including the steps to be taken by Shareholders to participate at the EGM. Such announcement may also be accessed at <https://dlfholdings.sg/announcements/>.

DLF HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 201726076W)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS TO INCLUDE BLOCKCHAIN-AGENCY AND RELATED SERVICES (“PROPOSED DIVERSIFICATION”)**
- (2) THE PROPOSED INTERNAL RESTRUCTURING OF THE GROUP TO SEGREGATE THE EXISTING BUSINESS AND NEW BUSINESS (“PROPOSED INTERNAL RESTRUCTURING”)**
- (3) THE PROPOSED CHANGE OF NAME OF THE COMPANY TO “OIO HOLDINGS LIMITED” (“PROPOSED CHANGE OF NAME”)**
- (4) THE PROPOSED PROVISION OF BLOCKCHAIN AGENCY SERVICES TO INFINITY BLOCKCHAIN HOLDINGS PTE. LTD. PURSUANT TO THE TERMS OF THE R&D AGREEMENT AS AN INTERESTED PERSON TRANSACTION (“PROPOSED PROVISION OF BLOCKCHAIN AGENCY SERVICES”)**
- (5) THE PROPOSED ADOPTION OF AN INTERESTED PERSON TRANSACTION GENERAL MANDATE (“PROPOSED ADOPTION OF IPT GENERAL MANDATE”)**

Independent Financial Adviser to the Non-Interested Directors of the Company in relation to the Proposed Provision of Blockchain Agency Services and the Proposed Adoption of IPT General Mandate



XANDAR CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number 200002789M)

IMPORTANT DATES AND TIMES

Latest Date and Time for Lodgement of Proxy Form	:	23 June 2020, 2.00 pm
Date and Time of Extraordinary General Meeting	:	26 June 2020, 2.00 pm (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be convened and held by way of electronic means at 1.00 pm on the same day)
Place of Extraordinary General Meeting	:	The Extraordinary General Meeting will be held by way of electronic means

CONTENTS

DEFINITIONS	2
CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS	9
LETTER TO SHAREHOLDERS	10
1 INTRODUCTION	10
2 OVERVIEW OF THE PROPOSED CORPORATE EXERCISES.....	10
3 THE PROPOSED DIVERSIFICATION.....	12
4 THE PROPOSED INTERNAL RESTRUCTURING	22
5 THE PROPOSED CHANGE OF NAME	22
6 THE PROPOSED PROVISION OF BLOCKCHAIN AGENCY SERVICES.....	22
7 THE PROPOSED ADOPTION OF IPT GENERAL MANDATE	27
8 INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	37
9 DIRECTORS' RECOMMENDATIONS	38
10 ABSTENTION FROM VOTING	39
11 CONSENT FROM THE INDEPENDENT FINANCIAL ADVISER	39
12 EXTRAORDINARY GENERAL MEETING	39
13 ACTIONS TO BE TAKEN BY SHAREHOLDERS	39
14 DIRECTORS' RESPONSIBILITY STATEMENT	40
15 DOCUMENTS AVAILABLE FOR INSPECTION	41
APPENDIX A: STRUCTURE OF THE IB GROUP	A-1
APPENDIX B: STRUCTURE OF THE GROUP AFTER PROPOSED INTERNAL RESTRUCTURING	B-1
APPENDIX C: IFA LETTER	C-1
APPENDIX D: TERMS OF MOONSTAKE AGENCY AGREEMENT AND BINARYSTAR AGREEMENT	D-1
NOTICE OF EXTRAORDINARY GENERAL MEETING	N-1
PROXY FORM	P-1

DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

Companies, Organisations and Agencies

“ABR”	:	Asia Blockchain Review
“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	DLF Holdings Limited
“Group”	:	The Company and its subsidiaries, collectively, and “ Group Companies ” shall refer to any of them
“IB Group”	:	Infinity Blockchain Group, comprising IBH, IBL, WSPL, ISPL and IBVM
“IBH”	:	Infinity Blockchain Holdings Pte. Ltd.
“IBL”	:	Infinity Blockchain Labs Co., Ltd., a wholly-owned subsidiary of IBH
“IBVM”	:	Infinity Blockchain Ventures Malaysia Sdn. Bhd.
“IFA” or “Independent Financial Adviser”	:	Xandar Capital Pte. Ltd., being the independent financial adviser to the Non-Interested Directors of the Company in relation to the Proposed Provision of Blockchain Agency Services and the Proposed Adoption of IPT General Mandate
“ISPL”	:	Infinito Solutions Pte. Ltd.
“MPL”	:	Moonstake Pte. Ltd.
“QRC”	:	QRC Pte. Ltd.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.
“WSPL”	:	Wowtrace Singapore Pte. Ltd., a wholly-owned subsidiary of IBH

General

“AGM”	:	The annual general meeting of the Company
“Approving Authorities”	:	Has the meaning ascribed to it in section 7.4 of this Circular
“Associates”	:	(a) in relation to any director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees, acting in their capacity as such trustees, of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or(iii) any company in which he and his immediate

DEFINITIONS

family together (directly or indirectly) have an interest of 30% or more of the total votes attached to all the voting shares;

- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more of the total votes attached to all the voting shares

“Audit Committee”	:	The audit committee of the Company from time to time
“Binarystar Agreement”	:	The agreement for research and development of staking pool protocol entered into amongst the Company, MPL and Binarystar Co., Ltd. on 16 March 2020
“Blockchain Agency Agreements”	:	Collectively, the IBH Agency Agreement, R&D Agreement, Moonstake Agency Agreement and Binarystar Agreement
“Blockchain Agency Services”	:	Has the meaning ascribed to it in section 2.3 of this Circular
“Blockchain-Agency Related Services”	:	Collectively, the Sales Agency Services, Software Development Outsource Agency Services, Consultancy Services and Product Commercialisation
“Board”	:	The Board of Directors of the Company as at the date of this Circular
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time
“Circular”	:	This circular dated 4 June 2020
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended, modified or supplemented from time to time
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time
“Consultancy Services”	:	Has the meaning ascribed to it in section 3.1 of this Circular
“Controlling Shareholder”	:	A person (including a corporation) who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company; or (b) in fact exercises control over the Company
“Director(s)”	:	The director(s) of the Company as at the date of this Circular
“DLF Consultancy Proportion”	:	Has the meaning ascribed to it in Appendix D of this Circular
“EGM”	:	The extraordinary general meeting of the Company, notice of which is set out on pages N-1 to N-4 of this Circular

DEFINITIONS

“EPS”	:	Earnings per share
“Existing Business”	:	Has the meaning ascribed to it in section 3.1 of this Circular
“Existing Share Capital”	:	The issued share capital of the Company, as at the Latest Practicable Date, comprising 121,108,700 Shares
“FY”	:	Financial year ended or ending 31 December
“IBH Agency Agreement”	:	The master agency services agreement entered into between the Company and IBH on 28 February 2020
“IBH Agency Fees”	:	Has the meaning ascribed to it in section 6.2 of this Circular
“IBH Contractor Fees”	:	Has the meaning ascribed to it in section 6.2 of this Circular
“IBH Customer Fees”	:	Has the meaning ascribed to it in section 6.1 of this Circular
“IBH Fee Sharing Proportion”	:	Has the meaning ascribed to it in section 6.1 of this Circular
“IFA Letter”	:	The letter dated 4 June 2020 from the IFA to the Non-Interested Directors in relation to the Proposed Provision of Blockchain Agency Services and the Proposed Adoption of IPT General Mandate, a copy of which is appended as Appendix C to this Circular
“Independent Director”	:	An independent director of the Company as at the date of this Circular
“Independent Shareholders”	:	Shareholders other than QRC Pte. Ltd. and any of its Associates each of whom is deemed to be interested in the Proposed Provision of Blockchain Agency Services and Proposed Adoption of IPT General Mandate for reasons set out in section 6.3 of this Circular
“Intellectual Property”	:	All algorithms, application programming interfaces, circuit designs and assemblies, databases and data collections, diagrams, formulae, gate arrays, Intellectual Property cores, inventions (whether or not patentable), patents, industrial designs, utility models, right to inventions, know-how, logos, trademarks and other marks (including brand names, product names, logos, and slogans), methods, network configurations and architectures, net lists, photomasks, processes, proprietary information, protocols, schematics, specifications, software, software code (in any form including source code and executable or object code), copyright and similar rights, subroutines, test results, test vectors, user interfaces, techniques, uniform resource locators (URLs), web sites, works of authorship, and other forms of technology (whether or not embodied in any tangible form and including all tangible embodiments of the foregoing such as instruction manuals, prototypes, samples, studies, and summaries and, whether or not registered or registrable)
“Intellectual Property Rights”	:	All rights of Intellectual Property of the following types, whether registered or unregistered, which may exist or be created under the laws of any jurisdiction in the world: (a) rights associated with works of authorship, including exclusive exploitation rights, copyrights, moral rights, and mask works;

DEFINITIONS

- (b) trademark and trade name rights and similar rights; (c) trade secret rights; (d) patents and other industrial property rights; (e) other proprietary rights in Intellectual Property of every kind and nature; and (f) all registrations, renewals, extensions, continuations, divisions, or reissues of, and applications for, any of the rights referred to in clauses (a) through (e) above
- “IPT General Mandate”** : A general mandate given by Shareholders pursuant to Chapter 9 of the Catalist Rules to authorise the Company and its subsidiaries which are considered to be “entities at risk” within the meaning of Rule 904(2) of the Catalist Rules, in their ordinary course of businesses, to enter into the Mandated Transactions with the Mandated Interested Persons, provided that such transactions are entered into on an arm’s length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders
- “IPT Register”** : Has the meaning ascribed to it in section 7.4 of this Circular
- “Latest Practicable Date”** : 1 June 2020, being the latest practicable date prior to the release of this Circular
- “Mandated Interested Person”** : Has the meaning ascribed to it in section 7.3 of this Circular
- “Mandated Transactions”** : The category of transactions set out in section 7.3 of this Circular with the Mandated Interested Persons
- “Market Day”** : A day on which the SGX-ST is open for trading in securities
- “Moonstake Agency Agreement”** : The sales agent and intellectual property sharing agreement entered into between the Company and MPL on 28 February 2020
- “Moonstake Fee Sharing Proportion”** : Has the meaning ascribed to it in Appendix D of this Circular
- “MOU”** : The non-binding memorandum of understanding entered into between the Company and IBH on 28 February 2020
- “MPL Software Development Project”** : Has the meaning ascribed to it in section 6.2 of this Circular
- “New Business”** : Has the meaning ascribed to it in section 2.1 of this Circular
- “New Subsidiary”** : Has the meaning ascribed to it in section 4.1 of this Circular
- “Non-Interested Directors”** : The Directors of the Company who are independent for the purposes of the Proposed Provision of Blockchain Agency Services and the Proposed Adoption of IPT General Mandate, namely Mr. Fan Chee Seng, Mr. Foo Kia Juah, Mr. Kok Cheang Hung and Mr. Tee Hian Chong
- “Notice of EGM”** : The notice of EGM accompanying this Circular
- “NTA”** : Net tangible assets
- “NTL”** : Net tangible liabilities

DEFINITIONS

“Offer”	:	Has the meaning ascribed to it in section 2.1 of this Circular
“Product Commercialisation”	:	Has the meaning ascribed to it in section 3.1 of this Circular
“Proposed Adoption of IPT General Mandate”	:	Has the meaning ascribed to it in section 2.6 of this Circular
“Proposed Change of Name”	:	The proposed change of name of the Company from “DLF Holdings Limited” to “OIO Holdings Limited”
“Proposed Corporate Exercises”	:	Collectively the Proposed Diversification, Proposed Internal Restructuring, Proposed Change of Name, Proposed Provision of Blockchain Agency Services and Proposed Adoption of IPT General Mandate
“Proposed Diversification”	:	Has the meaning ascribed to it in section 2.1 of this Circular
“Proposed Internal Restructuring”	:	Has the meaning ascribed to it in section 2.2 of this Circular
“Proposed Provision of Blockchain Agency Services”	:	Has the meaning ascribed to it in section 2.3 of this Circular
“Proposed Resolutions”	:	Has the meaning ascribed to it in section 1.1 of this Circular
“PS Act”	:	The Payment Services Act (No. 2 of 2019) of Singapore, as may be amended, modified or supplemented from time to time
“R&D Agreement”	:	The agreement for research and development of staking pool protocol entered into between the Company, IBH and MPL on 28 February 2020
“R&D Services”	:	Has the meaning ascribed to it in section 6.2 of this Circular
“Sales Agency Services”	:	Has the meaning ascribed to it in section 3.1 of this Circular
“Service Fee”	:	Has the meaning ascribed to it in section 6.2 of this Circular
“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as may be amended, modified or supplemented from time to time
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP the term "Shareholders" in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and whose securities accounts are credited with those Shares
“Shares”	:	Ordinary shares in the share capital of the Company
“Software Development Outsource Agency Services”	:	Has the meaning ascribed to it in section 3.1 of this Circular
“Substantial Shareholder”	:	A Shareholder who holds directly or indirectly 5% or more of the total issued and voting share capital of the Company

Technical Terms

DEFINITIONS

- “blockchain”** : A distributed, decentralized, public ledger that comprise a chain of blocks that are linked together using cryptography to record transactions, which is the technology underpinning cryptocurrency, one such example being Bitcoin
- “cryptocurrency”** : A digital or virtual currency that is secured by cryptography and based on a decentralized network, which is used as a medium of exchange
- “cryptography”** : A method of secure communication technique which protects information and communications through the conversion of data into digital codes for transmission over a public network
- “distributed ledger technology”** : A digital system for recording the transaction of assets in which the transactions and their details are recorded in multiple places at the same time
- “network node”** : A point in a private network represented by a physical network device such as a distributed computer, that serves as a communication point to create, receive or transmit digital message
- “smart contract”** : An automatic self-executing contract where the terms of the agreement between the two parties to the contract are written into lines of cryptographic code based on blockchain
- “staking”** : The process of locking up a specific amount of a given cryptocurrency in a wallet to participate in the operation of a blockchain in return for rewards
- “staking pool protocol”** : A protocol that allows multiple stakeholders to combine their computational resources to increase their chances of being awarded for their verification and validation of new blocks in the blockchain

Currency and units

- “S\$” and “Singapore cents”** : Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
- “%” or “per cent”** : Per centum or percentage
- “US\$”** : United States dollars, the lawful currency of the United States of America

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “Subsidiary” shall have the same meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

DEFINITIONS

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in figures included in this Circular between the amounts listed and their actual values are due to rounding. Accordingly, figures shown as totals in certain tables in this Circular may not be an arithmetic aggregation of the figures that precede them. Where applicable, figures and percentages are rounded to two decimal places.

Any reference in this Circular to Shares being allotted to a person includes allotment to CDP for the account of that person.

In this Circular, unless otherwise stated, the total number of issued Shares is 121,108,700 Shares, based on the results of searches conducted on the Accounting and Corporate Regulatory Authority of Singapore as at the Latest Practicable Date.

CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “if”, “would”, “should”, “could”, “may” and “might”. However, these words are not the exclusive means of identifying forward-looking statements. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company assumes no obligation to update publicly or revise any forward-looking statement.

LETTER TO SHAREHOLDERS

DLF HOLDINGS LIMITED
(Company Registration Number 201726076W)
(Incorporated in the Republic of Singapore)

Directors

Mr. Fan Chee Seng (Executive Chairman)
Mr. Yusaku Mishima (Non-Independent Non-Executive Director)
Mr. Foo Kia Juah (Lead Independent Non-Executive Director)
Mr. Kok Cheang Hung (Independent Non-Executive Director)
Mr. Tee Hian Chong (Independent Non-Executive Director)

Registered Office

140, Paya Lebar Road,
Singapore 409015

4 June 2020

To: The Shareholders of DLF Holdings Limited

Dear Sir/Madam

1 INTRODUCTION

1.1 The Directors are convening an EGM to be held on 26 June 2020 to seek Shareholders' approval in relation to:

- (a) the Proposed Diversification (Ordinary Resolution 1);
- (b) the Proposed Internal Restructuring (Ordinary Resolution 2);
- (c) the Proposed Provision of Blockchain Agency Services (Ordinary Resolution 3);
- (d) the Proposed Adoption of IPT General Mandate (Ordinary Resolution 4); and
- (e) the Proposed Change of Name (Special Resolution 1),

(collectively, the “**Proposed Resolutions**”).

1.2 **The Directors wish to highlight that Ordinary Resolutions 2 and 4 and Special Resolution 1 as stated in the Notice of EGM, in respect of the Proposed Internal Restructuring, Proposed Adoption of IPT General Mandate and Proposed Change of Name respectively, are conditional upon the approval of Ordinary Resolution 1 in respect of the Proposed Diversification. This means that if the Proposed Diversification is not approved, the said resolutions relating to the Proposed Internal Restructuring, Proposed Adoption of IPT General Mandate and Proposed Change of Name will not be tabled at the EGM.**

1.3 The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for the Proposed Resolutions to be tabled at the EGM, the notice of which is set out on pages N-1 to N-4 of this Circular.

1.4 The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

2 OVERVIEW OF THE PROPOSED CORPORATE EXERCISES

2.1 QRC Pte. Ltd. (“**QRC**”) became a Controlling Shareholder following the close of the mandatory unconditional cash offer by CEL Impetus Corporate Finance Pte. Ltd. for and on behalf of QRC to acquire all the issued and paid-up ordinary shares in the capital of the Company in November 2019 (“**Offer**”). As indicated in the offer document dated 11 October 2019 in relation to the Offer,

LETTER TO SHAREHOLDERS

QRC intends to undertake a comprehensive review of the businesses of the Group following the Offer. After the close of the Offer, the Company has appointed Mr Yusaku Mishima (who is also a director of QRC) as a non-independent non-executive director on 12 December 2019. Following the completion of the comprehensive review led by Mr Yusaku Mishima, QRC is of the view that the Group needs to diversify its revenue stream beyond the existing mechanical and electrical business and that the Group can tap on QRC's expertise in the blockchain industry to include the provision of (a) sales agency services to blockchain companies in respect of their blockchain-related products and services, (b) software development outsource agency services to blockchain companies for their software development projects, (c) consultancy services to blockchain companies in respect of the strategy, sales and marketing, technology and operation of their blockchain-related products and services and (d) commercialization of blockchain-related products ("**New Business**") ("**Proposed Diversification**").

- 2.2 In connection with the Proposed Diversification, the Board proposes to undertake an internal restructuring exercise to segregate its Existing Business (as described below) and the New Business into different wholly-owned subsidiaries for operational efficiencies ("**Proposed Internal Restructuring**") and proposes to change the name of the Company to "OIO Holdings Limited" ("**Proposed Change of Name**").
- 2.3 As part of developing the New Business, the Company has entered into two strategic alliances with each of IBH and MPL. In respect of its strategic alliance with IBH, the Company has entered into the MOU and the IBH Agency Agreement with IBH and the R&D Agreement with IBH and MPL to provide sales agency services to IBH in respect of their blockchain-related products and services, and software development outsource agency services to IBH (collectively, the "**Blockchain Agency Services**") for their software development projects ("**Proposed Provision of Blockchain Agency Services**").
- 2.4 As at the Latest Practicable Date,
- (a) QRC holds 77,670,840 Shares, representing approximately 64.13% in the issued and paid-up capital of the Company. By virtue of Section 4 of the SFA, Mr Hiroyuki Enomoto is deemed to be interested in 77,670,840 Shares held by QRC in the Company, as Mr Hiroyuki Enomoto owns 100% of the equity interests in QRC; and
- (b) Mr Hiroyuki Enomoto also holds 90% of the issued and paid-up share capital of IBH, with the remaining 10% held by Mr Yuji Akaba. The directors of IBH are Mr Hiroyuki Enomoto, Mr Yuji Akaba, Mr Dinh Tran Hoang Quan and Mr Junya Yamamoto. IBH owns the entire equity interests of each of IBL, WSPL, ISPL and IBVM (collectively, the "**IB Group**"). IBL, WSPL, ISPL and IBVM are private limited liability companies incorporated in Vietnam (IBL), Singapore (WSPL and ISPL) and Malaysia (IBVM) respectively. The sole legal representative of IBL is Mr Yusaku Mishima, a director of QRC and the Non-Independent Non-Executive Director of the Company. The directors of WSPL are Mr Yusaku Mishima, Mr Yuji Akaba, Mr Tran Quang Dai and Ms Nurshahirah Binte Mohammed Ghazali. The directors of ISPL are Mr Yusaku Mishima, Mr Saburo Takahashi and Mr Junya Yamamoto. The directors of IBVM are Mr Hiroyuki Enomoto, Mr Tran Minh Duy and Mr Mohd Ridzal Bin Mohd Sheriff. The group chart of the IB Group is set out in Appendix A of this Circular.
- 2.5 Accordingly, each of IBH, IBL, WSPL, ISPL and IBVM is deemed as an interested person for purposes of Chapter 9 of the Catalist Rules and any transactions entered into with IBH, IBL, WSPL, ISPL or IBVM will be regarded as interested person transactions and subject to Chapter 9 of the Catalist Rules.
- 2.6 The Company shall seek Shareholders' approval at the EGM for the proposed adoption of the interested person transaction general mandate pursuant to Rule 920 of the Catalist Rules ("**Proposed Adoption of IPT General Mandate**") as it is anticipated that the Group will continue to transact with the IB Group.
- 2.7 In respect of its strategic alliance with MPL, the Company has entered into the Moonstake Agency Agreement with MPL on 28 February 2020 to provide sales agency services to MPL in

LETTER TO SHAREHOLDERS

respect of MPL's blockchain-related products and services and consultancy services in respect of the sales and marketing of their blockchain-related products and services. Following the Moonstake Agency Agreement, the Company entered into an agreement on research and development of staking pool protocol with MPL and Binarystar Co., Ltd. on 16 March 2020 ("**Binarystar Agreement**"). Details of the Moonstake Agency Agreement and Binarystar Agreement are set out in Appendix D of this Circular.

2.8 Further details on the Proposed Diversification, Proposed Internal Restructuring, Proposed Change of Name, Proposed Provision of Blockchain Agency Services and Proposed Adoption of IPT General Mandate (collectively, the "**Proposed Corporate Exercises**") are set out respectively at sections 3 to 7 below.

3 THE PROPOSED DIVERSIFICATION

3.1 Background and Information regarding the New Business

The existing core business of the Group is the provision of mechanical and electrical services and solutions ("**Existing Business**"). The Group has since December 2019 expended efforts to explore expanding the Existing Business to improve its revenue streams and has identified the New Business to potentially provide additional and recurrent revenue streams. Whilst the Group will continue to rebuild its order book with financially reasonable projects with its Existing Business, the entry into of the New Business is intended to be a diversification of the Existing Business to strengthen the financial position of the Group which will in turn, in the Board's view, contribute to the long term growth of the Group.

The Group intends to undertake the following activities in respect of the New Business:

- (a) Providing sales agency services to blockchain companies in respect of their blockchain-related products and services ("**Sales Agency Services**");
- (b) Providing software development outsource agency services to blockchain companies in respect of their software development projects ("**Software Development Outsource Agency Services**");
- (c) Providing consultancy services to blockchain companies in respect of the strategy, sales and marketing, technology and operation of their blockchain-related businesses, products and services ("**Consultancy Services**"); and
- (d) Commercialisation of blockchain-related products ("**Product Commercialisation**").

In respect of the Sales Agency Services, the Group will act as an agent for and on behalf of the blockchain companies to sell and market the products and services of the blockchain companies.

In respect of the Software Development Outsource Agency Services, the Group will act as an agent for and on behalf of the blockchain companies to sell and market the software development resources of the blockchain companies to its customers and to assist the blockchain companies in the management of the software development projects.

In respect of the Consultancy Services, the Group will provide consultancy services in respect of blockchain-related businesses, products and services in the following areas; strategy (such as business strategy, digital strategy and product strategy), sales and marketing (such as branding, digital marketing, market researches, customer analytics and management), technology (such as solution design and assessment, security, software engineering, system integration, software development and implementation) and operation (such as business processes and risk management).

In respect of the Product Commercialisation, if the Board is of the view that a particular blockchain-related product, including blockchain technology and software, is financially and strategically beneficial for the Group, the Group may commercialise the blockchain-related

LETTER TO SHAREHOLDERS

products by developing the blockchain-related products, forming a strategic partnership with blockchain companies to jointly develop the blockchain-related products and/or acquiring the Intellectual Property Rights of the blockchain-related products to sell and/or license to third-party customers. Where appropriate, such blockchain technology and software will be registered as Intellectual Properties by the Group or in partnership with such third parties. In the event that the Group acquires any Intellectual Property, the Group will ensure that it will be acquired through irrevocable assignments, assignments or rights of a similar nature as safeguard to the Group.

3.2 Rationale for the Proposed Diversification

(a) Enhance Shareholders' value

The Proposed Diversification is part of the corporate strategy of the Group to provide Shareholders with diversified returns and long-term growth. It also takes into cognisance that the Existing Business requires a longer lead time to start generating positive cashflow (especially for higher sales margin projects).

The Board believes that the Proposed Diversification will reduce the Group's reliance on its Existing Business, offer new business opportunities, provide the Group with new revenue streams and improve its prospects, so as to enhance Shareholders' value for the Company.

(b) Potential in the New Business

With the rapid advances in blockchain technology and a shift towards corporations adopting and utilising blockchain in its businesses, world expenditure related to blockchain has been increasing at a fast pace. According to MarketsandMarkets Research Private Ltd, the size of the global blockchain market is expected to reach US\$23 billion by 2023.¹

Singapore is increasingly becoming a popular market for blockchain-related products and services. As at 16 April 2020, there are 398 blockchain start-ups in Singapore.² The Monetary Authority of Singapore, Singapore's central bank and integrated financial regulator, has also initiated Project Ubin, a collaborative project with the industry to explore the use of blockchain and distributed ledger technology for clearing and settlement of payments and securities.³ A pilot trial was also initiated by the SGX-ST to explore the use of distributed ledger technology for the issuance and servicing of fixed income securities in Asia.⁴ The Group believes that Singapore will be a blockchain hub

¹ Source: Blockchain Market – Global Forecast to 2023 (Report Code: TC 4638). MarketsandMarkets Research Private Ltd has not provided its consent, for the purpose of section 249 of the SFA, to the inclusion of the information extracted from the relevant reports and is therefore not liable for such information under sections 253 and 254 of the SFA. While we have taken reasonable actions to ensure that the information from the relevant reports issued by MarketsandMarkets Research Private Ltd is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such reports, neither we nor any party has conducted an independent review of the information contained in such reports or verified the accuracy of the contents of the relevant information.

² Source: <https://tracxn.com/explore/Blockchain-Startups-in-Singapore/>. Tracxn Technologies Private Limited has not provided its consent, for the purpose of section 249 of the SFA, to the inclusion of the information extracted from the relevant reports and is therefore not liable for such information under sections 253 and 254 of the SFA. While we have taken reasonable actions to ensure that the information from the relevant reports issued by Tracxn Technologies Private Limited is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such reports, neither we nor any party has conducted an independent review of the information contained in such reports or verified the accuracy of the contents of the relevant information.

³ Source: <https://www.mas.gov.sg/schemes-and-initiatives/Project-Ubin>. The Monetary Authority of Singapore has not provided its consent, for the purpose of section 249 of the SFA, to the inclusion of the information extracted from the relevant websites and is therefore not liable for such information under sections 253 and 254 of the SFA. While we have taken reasonable actions to ensure that the information from the relevant websites maintained by the Monetary Authority of Singapore is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such websites, neither we nor any party has conducted an independent review of the information contained in such websites or verified the accuracy of the contents of the relevant information.

⁴ Source: <https://www.about.hsbc.com.sg/news-and-media/hsbc-partners-with-sgx-and-temasek-to-explore-dlt-for-fixed-income>. The Hongkong and Shanghai Banking Corporation Limited has not provided its consent, for the purpose of section 249 of the SFA, to the inclusion of the information extracted from the relevant websites and is therefore not liable for such information under sections 253 and 254 of the SFA. While we have taken reasonable actions to ensure that the information from the relevant

LETTER TO SHAREHOLDERS

in the Asia Pacific region, given its key attractiveness for global businesses and the support for blockchain by the governmental agencies.

A healthy demand in Singapore is expected with the increased use of blockchain technology in businesses. Accordingly, the Group is optimistic about the demand of blockchain-related products and services in Singapore. The Proposed Diversification would allow the Group to participate in the growth prospects of the blockchain industry.

(c) Complementary to Existing Business

The Proposed Diversification is expected to provide additional revenue streams for the Group while complementing its Existing Business. The Board believes that the Proposed Diversification represents an opportunity to leverage on its current network, experience and knowledge in the Existing Business and establish a new and complementary business segment for the Group which will enable the Group to access new business opportunities in the market for blockchain-based payments and project management tools for the construction industry, which will result in synergies with the Existing Business.

Blockchain-based payment mechanism provides for timely, transparent and accountable payment system of fees between the developers, contractors and sub-contractors, which has been a recurring challenge faced by the construction industry. Further, blockchain-based project management tools enhance the efficiency of the main contractors by allowing them to better plan and monitor all their sub-contractors' tasks via a transparent ledger enabled by blockchain technology and ensure a smooth completion of the construction project. Potential application of blockchain in the construction industry include:

- (i) creating self-executing digital contracts, where the smart contract will be self-executed once an underlying code establishes that a specific condition has been satisfied. For example, a payment between two contractors in one country will lead to an order to be sent to a supplier in another country for the production and delivery of required materials linked to a different segment of a construction project. These smart contracts can be used to automate, track and/or transfer ownership of materials and equipment, and substantially reduces the amount of paper work between these intermediaries;
- (ii) improving the accountability and integrity of the payment process;
- (iii) improving the accountability of the present work health and safety management systems;
- (iv) increasing the efficiency of all stages of the supply chain management; and
- (v) incorporating blockchain into Building Information Modelling (BIM) to *inter alia* permit high volume data collection of different design packages and the secure sharing of project progress.

(d) Flexibility to enter into transactions relating to the New Business in the ordinary course of business

Once the Shareholders approve the Proposed Diversification, the Group may, in the ordinary course of business, enter into similar transactions relating to the New Business without having to seek Shareholders' approval. This can be done as long as such transactions do not change the Group's risk profile, and will eliminate the need for the Company to convene separate general meetings on each occasion to seek

websites maintained by the Hongkong and Shanghai Banking Corporation Limited is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such websites, neither we nor any party has conducted an independent review of the information contained in such websites or verified the accuracy of the contents of the relevant information.

LETTER TO SHAREHOLDERS

Shareholders' approval as and when potential transactions relating to the New Business arise. This mandate will in the long run allow the Group greater flexibility to pursue business opportunities which may be time-sensitive in nature given the competitive and evolving nature of blockchain businesses in general and entry of new competitors due to the development and deployment of new technologies, and will substantially reduce the expenses associated with the convening of general meetings from time to time.

3.3 Management of the New Business

The New Business will be overseen by Mr. Samuel Lay, who has joined as a Head of Business Development - Singapore of the Group on 23 April 2020. Mr Samuel Lay started off his career as a financial consultant with Prudential Assurance Company in August 2008. In December 2010, he moved to Adventus Singapore Pte Ltd as a sales director for enterprise accounts, where he led 6 account managers to provide managed services, enterprise technology and corporate solutions to corporate customers. In July 2015, he was appointed as a senior product manager in the advanced software division of Ingram Micro Asia Ltd, where he supported the key distribution business of IBM Security and Cloud teams to generate revenue through alliance management with key partnerships. During his time there, with the team, he managed to grow the revenue generated from the IBM security and cloud solutions by securing contracts for the provision of software solutions to corporate customers.

From February 2018 to July 2019, he joined InfoCorp group of companies and served as the Head of Myanmar and Head of Business Development for InfoCorp Myanmar Co Ltd and InfoCorp Technologies Pte Ltd, respectively. Mr Samuel Lay drove the first blockchain-based FinTech-led startup in Myanmar for purposes of entering into strategic alliances with the governmental agencies and non-governmental organisations in Myanmar to implement various innovative blockchain initiatives such as a National Registry that governs the livestock movement and establishes a traceable vaccination record system, as well as a livestock insurance system that provides risk protection for the livestock and owners. In one of these initiatives, InfoCorp Myanmar Co Ltd was awarded as one of the 10 winners of the United Nation's FinTech Innovation Fund.

Mr Taku Edatsune is the former Finance Manager of IBH and has the necessary expertise in blockchain-related products and services. Since Dec 2019, Mr Taku Edatsune has been involved in managing blockchain-related products and services in terms of strategy formulation, financial planning and management, feasibility studies and execution supports. Prior to Dec 2019, Mr Taku Edatsune had worked as the Corporate Planning Manager of MIMS Pte Ltd where he drove the healthcare-related software businesses from its planning to execution and at Deloitte LLP, UK and PwC Japan for multiple tax advisory projects for technology companies.

As part of the comprehensive review of the businesses of the Group, the Company has on 16 December 2019 appointed Mr Hiroyuki Enomoto as an external adviser, on a gratuitous basis, to assist in the management of the New Business. As and when the New Business escalates, Mr Hiroyuki Enomoto may receive remuneration for his services provided to the Group as an external adviser in respect of the New Business.

In the interim period, the New Business will be driven by Mr Samuel Lay and Mr Taku Edatsune. In addition, two of the non-executive directors of the Company, namely Mr Yusaku Mishima and Mr Tee Hian Chong - are both experienced in the blockchain industry.

The Group intends to hire additional qualified personnel with suitable expertise and experience to manage the New Business. The Group has shortlisted various potential candidates and will make the appropriate announcements upon finalisation of the appointment.

The management team of the New Business may also, where appropriate, seek the advice of external consultants and industry experts when making decisions in respect of the New Business. The Board will also receive updates from the management on the health of the New Business and where necessary or appropriate, direct the appointment of in-house or external consultants or professional advisers to assist the management in the New Business.

LETTER TO SHAREHOLDERS

3.4 Risk factors

To the best of the Directors' knowledge and belief, all the risk factors that are material to the Shareholders in making an informed decision on the Proposed Diversification are set out below. If any such risk develops into actual events, the business, results of operations, financial condition and prospects of the Group could be materially and adversely affected. Shareholders should carefully consider and evaluate the following risk factors and all other information contained in this Circular before deciding on whether to vote in favour of the Proposed Diversification.

The New Business could be affected by a number of risks which relate to the industries and countries in which the New Business is undertaken as well as those which may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive. New risk factors may emerge from time to time, and it is not possible for the Board and the management to predict all risk factors, nor can the Group assess the impact of all factors on the Proposed Diversification or the extent to which any factor, or combination of factors, may affect the New Business. There may be additional risks not presently known to the Company or that the Company may currently deem immaterial, which could affect its operations.

(a) ***The Group does not have an established track record and operating history in the New Business***

The Group does not have a proven track record and the current management of the Group may not have the sufficient experience and expertise required in the carrying out or implementation of the New Business, save for Mr Samuel Lay and Mr Taku Edatsune.

As the New Business is a new area of business to the Group, the Group will face the usual risks, uncertainties and problems associated with the entry of any new business which it has no prior experience or track record in. These risks, uncertainties and problems include, among others, the inability to manage the expanding operations and costs, failure to attract and retain customers, failure to provide the expected results, revenue and profit margins. There is no assurance that the management of the Group will be able to ensure success in undertaking the New Business.

Currently, the Group has operations in Singapore. The markets in which the Group will operate its New Business are affected by many factors which are beyond the Group's control. Any of the following factors may cause fluctuations and/or declines in the markets in which the Group operates:

- (i) legal and regulatory changes;
- (ii) government policies;
- (iii) economic and political conditions;
- (iv) concerns about natural disasters, epidemics, pandemics, terrorism and war;
- (v) the level and volatility of liquidity and risk aversion;
- (vi) concerns over inflation; and
- (vii) changes in investor confidence levels.

Any of the above-mentioned factors could adversely impact the performance of the New Business, which in turn may affect the Group's business, operations, financial performance and/or financial position.

(b) ***The Group will be dependent on certain key personnel for the success of the New***

LETTER TO SHAREHOLDERS

Business

The success and growth of the New Business depends significantly on the expertise and experience of Mr Samuel Lay, who is the Head of Business Development – Singapore of the Group, and Mr Taku Edatsune, who is the Head of Finance and Administration of the Group. As the key employees of the Group with experience relevant to the blockchain industry, Mr Samuel Lay and Mr Taku Edatsune are instrumental to spearhead the New Business, formulating its strategic focus and directions as well as overseeing its general operations. Please refer to Section 3.3 of this Circular for details of the expertise and experience of Mr Samuel Lay and Mr Taku Edatsune.

Thus, the success of the New Business will be highly reliant on the contributions of Mr Samuel Lay and Mr Taku Edatsune. Notwithstanding the fixed tenures in their respective employment agreements, there can be no assurance that the Group will be successful in retaining the services of Mr Samuel Lay and Mr Taku Edatsune. The loss of services of Mr Samuel Lay and Mr Taku Edatsune without suitable and timely replacement, or the inability to attract and retain other qualified personnel, would have an adverse impact on our prospects, operations and financial performance.

The Group is always on the lookout for suitable personnel to develop and grow the New Business, and is not merely seeking to be reliant on the existing key personnel. The expediency with and manner in which the Company had secured the services of Mr Samuel Lay and Mr Taku Edatsune is an example of such commitment to securing the appropriate personnel with adequate sufficient experience.

(c) ***The New Business is subject to additional risks arising from its agency relationship with third parties in the blockchain industry***

The Group is also exposed to additional risks arising from its role as an agent on behalf of its third-party principals from the blockchain industry, which includes but are not limited to:

- (i) the inability of the Group to exert control over the actions of its principals, including any non-performance, default or insolvency of third-party principals;
- (ii) the inability of the Group to exert control over strategic decisions made by its third-party principals; and
- (iii) the time and resources expended to coordinate internal systems, controls, procedures and policies.

(d) ***The Group may be exposed to the risks of late payment or non-payment by its principals***

The Group faces uncertainties over the timeliness of its principals' payment and their solvency or creditworthiness. There is no assurance that the Group will be able to collect the fees for the services provided in respect of the New Business on a timely basis, or at all.

In the event that there is any defaulting principal or a significant delay in collect the fees from the principals, the Group may face stress on its cash flow and a material increase in bad and doubtful debts, which will have an adverse impact on the Group's financial performance.

(e) ***The New Business may be subject to regulatory risks***

Blockchain technologies are generally resilient due to the redundancy resulting from the peer to peer nature of these technologies. Since the business processes built on blockchain technologies might be vulnerable to technology and operational failures as

LETTER TO SHAREHOLDERS

well as cyber-attacks, the application and usage of blockchain technologies could pose business continuity risks to the blockchain companies, which in turn will adversely affect the Group's New Business. Not only does this affect the Group's New Business indirectly, it may also affect the Group directly if the Group is unable to conduct any Product Commercialisation. Furthermore, while blockchain technologies provide transaction security, these technologies do not provide account or wallet security, and the cyber security risks to the blockchain network will be even raised if a malicious actor takes over 51% of the network nodes for a duration of time.

Save for abovementioned, we also noted that the regulatory risks may be imposed on the blockchain companies due to the uncertainties around the regulatory requirements related to blockchain application across the globe. Additionally, there may be regulatory risks associated with each use case, the type of participants in the network and whether the framework allows domestic or cross-border transactions. Therefore, there are many risks that may be imposed by blockchain technologies to the blockchain companies, and the industry's prospects of the blockchain is still unknown, which will adversely affect the Group's New Business.

The Group does not carry on the business in any of the regulated activities under the SFA or any payment services under the Payment Services Act 2019 ("**PS Act**"). In particular, the Group is not involved in the buying or selling of any digital payment tokens and does not establish or operate a digital payment token exchange to facilitate the exchange of digital payment tokens, and therefore, does not provide any digital payment token service. Given the above, the Group does not require any licence under the SFA or the PS Act in respect of the New Business. However, any subsequent changes in government legislations, regulations or policies in Singapore in relation to the blockchain industry may impose additional barriers of entry for the Group, including but not limited to the fulfilling of licence or registration requirements. However, should the blockchain companies be required to fulfil certain regulatory requirements or obtain a licence in respect of its blockchain business, the Group's revenue from the New Business may be adversely affected.

(f) ***Technology is constantly improving and current technology may become obsolete***

There is a variety of technologies and methods available for the innovation and development of blockchain technology. The development and deployment of new technologies may also bring about new competitors and may influence the supply and demand of existing types of blockchain products and services that the Group provide. New technology may render the technology currently in use uncompetitive (or non-competitive) or obsolete. The challenge for the Group is to keep abreast of technological changes and ensure the relevance of the technologies and businesses that the Group is engaged in. If the Group does not keep up with technological changes, the Group's business, financial condition, results of operations, and prospects may be materially and adversely affected since fewer customers will want to sell and market the products or engage the services of the Group.

(g) ***There is no assurance that there is recurring revenue since the New Business is usually engaged on a project basis***

The Group's revenue from the New Business is mainly generated on an order by order basis and there may not be a continuous and steady source of revenue to be generated by the New Business. As the IB Group's customers are generally not bound to the IB Group by long-term contracts nor exclusive agreements, the maintenance of close and satisfactory relationships with the IB Group's major customers, as an agent for and on behalf of the IB Group, is important to the success of the New Business undertaken by the Group. The IB Group's profitability may be affected by its customers' decisions in situations where the IB Group's customers decide to scale down their business projects or to reduce their reliance on the IB Group. Any of the above situations will result in a reduction of the IB Group's customers' demand for its services, thereby adversely

LETTER TO SHAREHOLDERS

affecting the Group's revenue and profitability for the New Business. The Group's financial results will be materially and adversely affected if the conditions of the markets in which the Group operates worsen or if the Group is unable to secure sufficient orders.

The Group will, however, try to find ways to earn recurring income streams as soon as possible by finding recurring consultancy customers or acquiring Intellectual Property related to blockchain-related products in future.

(h) ***There is no assurance of that the Group will be able to identify new opportunities for the growth of the New Business***

Save as disclosed in this Circular, the Group has not formalised any definitive plans in connection with the growth of the New Business. While the Group will continue to actively seek opportunities in the New Business, there is no assurance that it will be able to identify such opportunities which suit its risk and returns profile.

(i) ***The Group may face competition from existing competitors and new market entrants in the New Business***

The Group may not be able to respond more quickly to market trends than potential or existing competitors in the New Business who may have larger financial resources and stronger track records. Further, the Group may not be able to secure exclusive agency appointments and new competitors may enter the industry resulting in increased competition. There is no assurance that the Group can compete successfully against its existing or potential competitors now or in the future. In the event that the Group fails to do so, the Group's New Business, financial condition, results of operations and prospects may be adversely affected.

(j) ***The Group may be reliant on relationships with strategic partners for Product Commercialisation***

The Group collaborates with strategic partners such as blockchain development companies for development and commercialisation of the blockchain-related products. Such collaborations are generally non-exclusive in nature. Any benefits that are received by us through these relationships are dependent upon these relationships continuing. Failure to enter into or the termination of these relationships could restrict our growth and materially and adversely affect our business, financial condition and results of operations. In addition, there can be no assurance that future agreements with strategic partners can be made on commercially acceptable terms, or at all.

The Group may not have the resources necessary to independently develop and commercialise all the potential blockchain-related products. The Group has limited or no control over the resources any strategic partner may devote to our blockchain-related products. Any of our present or future strategic partners may not perform their obligations as expected. These strategic partners may breach or terminate their agreements with us or otherwise fail to conduct their collaborative activities successfully and in a timely manner. Further, our strategic partners may not develop blockchain-related products arising out of the collaborative arrangements or devote sufficient resources to the development or commercialisation of these blockchain-related products and technologies.

The Group faces significant competition in seeking appropriate strategic partners. The Group's ability to reach a definitive agreement for collaboration will depend, among other things, upon our assessment of the strategic partner's resources and expertise, the terms and conditions of the proposed collaboration and the proposed partner's evaluation of a number of factors. These factors may include the potential market for the particular blockchain-related product, the costs and complexities of developing such blockchain-related products and the potential of competing products. The strategic partner may also consider alternative product candidates or technologies for similar

LETTER TO SHAREHOLDERS

indications that may be available to collaborate on and whether such collaboration could be more attractive than the one with us for our product candidate.

To the extent that the Group may engage professional advisers, disagreements with strategic partners may develop over rights to our blockchain-related products and technology. In addition, collaboration agreements entered into or to be entered into with collaborators may have provisions that could give rise to disputes regarding rights and obligations of the parties. Any conflict with strategic partners could lead to termination of the agreements or arrangements we may have with such parties or result in litigation or arbitration, which could materially and adversely affect our business. Further, some of the strategic partners are or may become competitors in the future. If strategic partners develop competing products, preclude us from entering into collaborations with their competitors, fail to obtain necessary regulatory approvals, terminate their agreements with us prematurely, or fail to devote sufficient resources to the development and commercialisation of our products and technologies, our development efforts, business, financial condition and results of operations could be materially and adversely affected.

(k) ***The Group may be subject to epidemic or pandemic risks***

The Group is exposed to risks in respect of outbreaks of communicable diseases with human-to-human airborne or contact propagation effects (e.g. mutation of Avian Flu H5N1, Ebola, Middle East respiratory syndrome coronavirus, COVID-19 etc.) that may escalate into a regional or global pandemic. The outbreak of COVID-19 affecting many countries in the world, including Singapore, was declared as a pandemic by the World Health Organisation on 11 March 2020 and the COVID-19 pandemic's economic fallout is expected to adversely affect Singapore for at least a year.⁵ The COVID-19 pandemic may escalate in severity and result in a more widespread health crisis which may in turn result in a global recession. The high level of uncertainties associated with the COVID-19 pandemic makes it difficult to predict how long these conditions will persist and the extent to which the Group may be eventually affected.

As at the Latest Practicable Date, the Group has implemented the necessary precautionary measures to minimize the risk of COVID-19 infection faced by its employees. In the event that any of our employees are suspected to have been infected with any communicable disease, or identified as a possible source of spreading any communicable disease, we may be required to temporarily suspend operations or shut down our offices or quarantine the relevant employees to prevent the spread of such communicable disease. The Group may also be required to disinfect affected areas of operation and therefore, suffer a temporary suspension of such operations. This may result in delays in the delivery of our products and services, thereby creating a material and adverse impact on the Group's business and financial performance.

3.5 Funding for the New Business

The Group will fund the New Business initially through the Group's internal resources, particularly the interest-free loan of S\$500,000 granted by QRC to the Company on 28 February 2020. Operating revenue generated from the New Business will be utilised towards the funding of the New Business.

As and when necessary, the Board may procure borrowings from financial institutions and will determine the optimal mix of internal funding and external funding, taking into account the cash flow of the Group and the prevailing financing costs. In addition, the Company may consider

⁵ Source: <https://www.straitstimes.com/singapore/economic-impact-of-covid-19-to-last-at-least-a-year-vivian>. The Straits Times has not provided its consent, for the purpose of section 249 of the SFA, to the inclusion of the information extracted from the relevant websites and is therefore not liable for such information under sections 253 and 254 of the SFA. While we have taken reasonable actions to ensure that the information from the relevant websites maintained by the Straits Times is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such websites, neither we nor any party has conducted an independent review of the information contained in such websites or verified the accuracy of the contents of the relevant information.

LETTER TO SHAREHOLDERS

tapping the capital markets in the future, to fund the New Business in various ways including but not limited to the issuance of securities for cash by way of rights issues and placements and/or issuance of debt instruments as and when necessary and deemed appropriate.

3.6 Requirements under the Catalist Rules

As the Proposed Diversification will involve new business areas which are substantially different from the Group's Existing Business, it is envisaged that the Proposed Diversification will change the existing risk profile of the Group. Accordingly, the EGM will be convened by the Company to seek the Shareholders' approval to approve the Proposed Diversification.

Upon the approval by Shareholders of the Proposed Diversification, any acquisition which is in, or in connection with, the New Business, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the New Business which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions relating to the New Business arise, even where they crossed the thresholds of a "major transaction". This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group. Pursuant to Rule 1014 of the Catalist Rules, a major transaction is a transaction (as defined in Rule 1002(1) of the Catalist Rules) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 75% but is less than 100% (for an acquisition) or exceeds 50% (for a disposal) and must be made conditional upon approval by shareholders at a general meeting.

For the avoidance of doubt, notwithstanding the Proposed Diversification, in respect of transactions:

- (a) which fall within the definition of Rule 1002(1) of the Catalist Rules, Rules 1010 and 1014 of the Catalist Rules will still apply;
- (b) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 100% or results in a change in control of the Company, Rule 1015 of the Catalist Rules will still apply to such transactions and such transactions must be, among others, made conditional upon approval by Shareholders at a general meeting;
- (c) which constitute an "interested person transaction" as defined under the Catalist Rules, Chapter 9 of the Catalist Rules will apply to such transaction and the Company will comply with Chapter 9 of the Catalist Rules; and
- (d) which involve the expansion of the New Business resulting in a consequential change in the risk profile of the Group, the Company will make the relevant announcement(s) and seek the approval of the Shareholders at a general meeting.

Pursuant to Rule 1005 of the Catalist Rules, separate transactions completed within the last 12 months may also be aggregated and treated as if they were one transaction in determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004 of the Catalist Rules. The Company will be required to comply with any applicable and prevailing Catalist Rules as amended or modified from time to time.

3.7 Current project pipelines

The Company's current project pipelines for the New Business include the provision of the relevant services under the IBH Agency Agreement and Moonstake Agency Agreement. The Company will make the appropriate announcements as and when it has secured other material projects for the New Business.

LETTER TO SHAREHOLDERS

4 THE PROPOSED INTERNAL RESTRUCTURING

4.1 Background

As part of the Proposed Diversification, the Company intends to enter into a restructuring exercise with its wholly-owned subsidiary, DLF Engineering Pte. Ltd., to transfer all of its equity interests in each of ACMES-Kings Corporation Pte. Ltd., DLF Pte. Ltd. and DLF Prosper Venture Pte. Ltd. to DLF Engineering Pte. Ltd., and incorporate OIO Singapore Private Limited (“**New Subsidiary**”), as a wholly-owned subsidiary in Singapore directly under the Company to perform the New Business of the Group. The Company will thereafter novate the Blockchain Agency Agreements to the New Subsidiary. The structure of the Group post-Proposed Internal Restructuring is set out in Appendix B of this Circular.

4.2 Rationale

The Proposed Internal Restructuring is congruent with the Proposed Diversification as it would allow the Group to organise its Existing Business and the New Business separately into different wholly-owned subsidiaries of the Company. This is in line with the Company’s strategic plans and on-going efforts to re-design its strategic direction and to strengthen the Group’s financial position by broadening the Group’s assets and earning bases.

4.3 Funding for the Proposed Internal Restructuring

The Proposed Internal Restructuring will be funded through internal resources and is not expected to have any material impact on the EPS or NTL per Share of the Group for the current financial year ending 31 December 2020.

5 THE PROPOSED CHANGE OF NAME

5.1 Background and Rationale

The Directors are proposing to change the Company’s name from “DLF Holdings Limited” to “OIO Holdings Limited”. The Board is of the view that the Proposed Change of Name will better reflect the Group’s broader scope of business activities. In addition, this new name will provide an opportunity for the Company to market a fresh new “can-do” perspective and innovative spirit that would better serve our corporate strategy of enhancing shareholder returns. The Existing Business segment will continue to be conducted via the existing subsidiaries of the Company, since the existing subsidiaries have developed a brand recognition within that business segment. The New Business segment will adopt a different name that reflects the innovative spirit of the Blockchain-Agency and Related Services.

5.2 Approvals

Following an application made by the Company, ACRA approved the reservation of the name on 13 April 2020 up to 11 August 2020. Upon the passing of Special Resolution 1 for the Proposed Change of Name by the Shareholders, the Company shall adopt “OIO Holdings Limited” as its new name, and all references to “DLF Holdings Limited” shall be replaced with “OIO Holdings Limited” wherever it appears in the Constitution. The Company will make an announcement once the name “OIO Holdings Limited” takes effect.

5.3 No Replacement of Share Certificates Required

Shareholders should note that notwithstanding the Proposed Change of Name, the Company will not recall existing share certificates in respect of the Shares, which will continue to be *prima facie* evidence of legal title. No further action is required on the part of Shareholders in respect of their existing share certificates.

6 THE PROPOSED PROVISION OF BLOCKCHAIN AGENCY SERVICES

6.1 Terms of the IBH Agency Agreement

LETTER TO SHAREHOLDERS

The IBH Agency Agreement serves as a master framework agreement to govern the relationship, rights and obligations between the Group and IBH. Under the IBH Agency Agreement, the Group shall provide Blockchain Agency Services to the IB Group from 1 March 2020 to 1 March 2023, which may be extended subject to the prior written agreement of both the Company and IBH. Under the IBH Agency Agreement, the Group does not undertake any any risk or liability in relation to the service performance of IBH or any obligation to perform the services to be provided by IBH to the customer.

Under the IBH Agency Agreement, upon providing the Blockchain Agency Services, the Company shall be entitled to receive the total fees for such services from the Customer, for and on behalf of IBH ("**IBH Customer Fees**") and shall be entitled to retain a portion of the IBH Customer Fees equivalent to 15% of the IBH Customer Fees for itself and make payment of the balance sum representing 85% of the IBH Customer Fees to IBH ("**IBH Fee Sharing Proportion**").

6.2 Terms of the R&D Agreement

Following the IBH Agency Agreement, the Company managed to successfully procure MPL as a customer of IBH and entered into the R&D Agreement with IBH and MPL. Under the R&D Agreement, (a) IBH shall provide research and development services ("**R&D Services**") to MPL in respect of the staking pool protocol owned by MPL using software development resources such as blockchain technology ("**MPL Software Development Project**"), and (b) the Company shall provide Software Development Outsource Agency Services to IBH in respect of the MPL Software Development Project, including but not limited to client servicing and liaison services. The R&D Services and the MPL Software Development Project under the R&D Agreement is expected to be completed on or around 30 June 2020 unless otherwise extended mutually in writing.

In consideration for the R&D Services provided by IBH to MPL, MPL has on 28 February 2020 made an advance payment of S\$1 million to the Company, comprising the full payment for the R&D Services ("**Service Fee**").

Upon the completion of the MPL Software Development Project, the Company shall be entitled to retain, out of the Service Fee, a sum of S\$150,000 (equivalent to 15% of the Service Fee) for itself, ("**IBH Agency Fees**"), and make payment of the balance sum of S\$850,000, to IBH ("**IBH Contractor Fees**"), in accordance with the IBH Fee Sharing Proportion under the IBH Agency Agreement. On 29 February 2020, IBH agreed to grant a credit term extension to the Company to allow the Company the flexibility to pay the IBH Contractor Fees after the due date, being 1 May 2021.

As at the Latest Practicable Date:

- (a) with respect to the Sales Agency Services, the Company has fulfilled its obligation of providing the Sales Agency Services to IBH and therefore, does not bear any risk or liability; and
- (b) with respect to the Software Development Outsource Agency Services, the Company is in the process of providing the Software Development Outsource Agency Services to IBH. However, the Company does not bear any risk or liability in relation to the service performance of IBH or any obligation to perform the R&D Services and only bears the obligation of providing the Software Development Outsource Agency Services to IBH.

6.3 The Proposed Provision of Blockchain Agency Services as an interested person transaction under Chapter 9 of the Catalyst Rules

Information on the interested person

IBH is a private limited company incorporated in Singapore on 18 August 2018, with its registered address at 80 Robinson Road, #08-01, Singapore 068898. The principal activity of

LETTER TO SHAREHOLDERS

IBH is to provide management consultancy services in respect of blockchain technology. As at the Latest Practicable Date, IBH has a paid-up share capital of S\$140,000, comprising 140,000 shares of which 90% and 10% are held by Mr Hiroyuki Enomoto and Mr Yuji Akaba, respectively. The directors of IBH are Mr Hiroyuki Enomoto, Mr Yuji Akaba, Mr Dinh Tran Hoang Quan and Mr Junya Yamamoto. Save as disclosed above, each of Mr Yuji Akaba, Mr Ding Tran Hoang Quan and Mr Junya Yamamoto is not related to Mr Hiroyuki Enomoto or his Associates.

As at the Latest Practicable Date, QRC holds 77,670,840 Shares, representing approximately 64.13% in the issued and paid-up capital of the Company. By virtue of Section 4 of the SFA, Mr Hiroyuki Enomoto is deemed to be interested in 77,670,840 Shares held by QRC in the Company, as Mr Hiroyuki Enomoto owns 100% of the equity interests in QRC.

Accordingly, IBH is deemed an “interested person” for purposes of Chapter 9 of the Catalist Rules. Any transactions entered into between the Group and IBH, will be regarded as interested person transactions, and will be subject to Chapter 9 of the Catalist Rules. This would include the IBH Agency Agreement and the R&D Agreement.

Shareholders’ approval for the Proposed Provision of Blockchain Agency Services

Rule 906 of the Catalist Rules provides that shareholders’ approval is required for an interested person transaction of a value equal to, or exceeding:

- (a) five per cent. (5%) of the listed group’s latest audited net tangible assets (“NTA”); or
- (b) five per cent. (5%) of the listed group’s latest audited NTA, when aggregated with the values of other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

Rule 918 of the Catalist Rules provides that if a transaction requires shareholders’ approval, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.

Rule 909 of the Catalist Rules provides that the value of a transaction is the amount at risk to the issuer.

Based on the audited consolidated financial statements of the Group for the latest financial year ended 31 December 2019, the Company had consolidated net tangible liabilities totalling S\$2.9 million. Accordingly, any transaction with any interested person will exceed the financial threshold prescribed under Rule 906 of the Catalist Rules.

The amount at risk to the Company in respect of the (a) IBH Agency Agreement is zero, as the IBH Agency Agreement would not give rise to any financial or performance obligation to the Company, and (b) R&D Agreement is the IBH Agency Fees of S\$150,000 payable by IBH to the Company.

Therefore, the proposed Blockchain Agency Services under the R&D Agreement is thus subject to the approval of the Shareholders at the EGM. In the announcement issued on 29 February 2020, the Company had referred to the payment of the IBH Contractor Fees (after deducting the IBH Agency Fees) as a recurring interested person transaction; the Company would like to clarify that it is submitting the proposed Blockchain Agency Services for the approval of Shareholders, as the interested person transaction, being a transaction between the Company and IBH, an interested person.

6.4 Rationale for the Proposed Provision of Blockchain Agency Services and benefits to the Company

IBH Fee Sharing Proportion

LETTER TO SHAREHOLDERS

The Board notes that given *inter alia* the reputation and track records of IBH and the uniqueness of IBH's services, the Company was able to procure terms more favourable for the Company, in particular,

- (a) the payment of the Service Fee was paid in advance instead of in arrears, notwithstanding the R&D Services and the MPL Software Development Project have yet to be completed; and
- (b) a credit term extension was granted by IBH to the Company on 29 February 2020 to provide the Company with the flexibility to make payment of the IBH Contractor Fee to IBH at any time up till 1 May 2021 even if the MPL Software Development Project has been completed by IBH.

The IBH Fee Sharing Proportion and credit terms were mutually agreed to between the Company and IBH based on arms' length negotiations and was arrived at after taking into consideration (i) the rationale set out in Section 6.4 of this Circular, and (ii) IBH's continuing support for the Group's future development of the New Business.

Extensive network of QRC, Mr Hiroyuki Enomoto and the IB Group

QRC and its shareholder, Mr Hiroyuki Enomoto, as well as the IB Group are established and well-recognised in the blockchain industry, with extensive networks of contacts in the blockchain industry.

(a) **QRC and Mr Hiroyuki Enomoto**

QRC is primarily in the business of providing management consultancy services in respect of the blockchain industry. Mr Hiroyuki Enomoto, who is the sole shareholder of QRC, is one of the two founders of the IB Group.

(b) **IB Group**

Founded in 2015, the IB Group established IBL in Ho Chi Minh to conduct R&D activities focused on blockchain technologies. IBL is one of the biggest blockchain development companies in Asia with more than 150 blockchain engineers and track records of more than 10 blockchain services launched in the past. IBL has been promoting the expansion of blockchain technologies' usage and application by partnering with Ministry of Justice of Vietnam and State Bank of Vietnam. Infinito Wallet, one of the core products of IBL, is a universal wallet to store more than 2000 cryptocurrencies and has users all over the world with more than 400,000 downloads so far.

Since its establishment, IB Group established group companies across Asia and set up IBH in Singapore in 2018.

In relation to the Digital Economic Development Project of the Republic of Uzbekistan, IB Group has formed the blockchain task force together with National Agency of Project Management (NAPM) under the President of the Republic of Uzbekistan and is leading the formulation of legal frameworks in relation to the country's security tokens.

The IB Group has board ranges of partners, including Simplex, an EU licensed fintech company that provides worldwide fraud-free payment processing, NEXO, a world-leading cryptocurrency lending & borrowing platform, and Coinfirm, a world-leading regtech provider for cryptocurrency. IBL also forms partnership with academic partners such as Ho Chi Minh City University of Technology and Ho Chi Minh City Agricultural Technology School (ATS).

The IB Group also owns 100% of the Intellectual Property Rights in Asia Blockchain Review ("**ABR**"), which is the leading blockchain media. As B2B media, ABR has an extensive network of more than 20,000 engagements and has conducted its own blockchain events "Unblock" for more than 15 times across 4 countries in the past 2

LETTER TO SHAREHOLDERS

years. Reputable speakers from regulatory bodies such as Securities and Exchange Commission of Thailand and from leading blockchain projects such as Onchain Custodian or MakerDAO have participated in ABR.

Over a short span of 4 years, the IB Group has also won several awards and accolades, including the following:

- (i) IBL was featured in APAC CIO Outlook, a renowned technology magazine in Asia Pacific, as one of the top 10 blockchain technology solution providers in 2018; and
- (ii) WSPL achieved fourth placing at Klaytn Hackathon 2019, an online hackathon organised by Ground X, a subsidiary of Kakao, the leading South Korean mobile platform, to introduce the latest technology ideas, applications and solutions.

Having considered the above, the Board is optimistic that the Group will be able to tap on the business connection and network of QRC and its shareholder, Mr Hiroyuki Enomoto (as well as their respective Associates) to develop, grow and expand the New Business and to make the Group as the Asia Pacific hub to connect IB Group's technology know-how and presence across Asia with the customers requiring blockchain technology and resolve the market needs.

The Board is also optimistic that the provision of Blockchain Agency Services to IBH would allow the Group to obtain a good footing into the New Business. Save for Mr Yusaku Mishima who has abstained from deliberation as he is the sole legal representative of IBL and a director of WSPL and ISPL (which are all part of the IB Group), the Directors of the Company are of the view that the Proposed Provision of Blockchain Agency Services will enable the Group to diversify its revenue streams and to substantially increase its asset base and revenue streams, without bearing any risk or liability other than that set out in section 6.2 of the Circular.

Accordingly, the Directors of the Company (save for Mr Yusaku Mishima) believes that the Proposed Provision of Blockchain Agency Services is in the best interests of the Company and the Shareholders.

6.5 Other interested person transactions

Save as disclosed in:

- (a) this Circular; and
- (b) the Company's announcement on 29 February 2020 in respect of the interest free loan of S\$500,000 provided by QRC Pte. Ltd. to the Company; and
- (c) the Company's announcement on 9 March 2020 in respect of the disposal of the car plate number "SKN333R" by the Company to Mr Fan Chee Seng for a consideration S\$15,000,

there are no interested person transactions entered into by the Group with any other interested person for the current financial year beginning 1 January 2020 up to the Latest Practicable Date.

6.6 Advice on the Independent Financial Adviser on the Proposed Provision of Blockchain Agency Services

Chapter 9 of the Listing Manual provides that, where Shareholders' approval is required for an interested person transaction, the Circular must include an opinion from an independent financial adviser as to whether the transaction is on normal commercial terms and is prejudicial to the interests of the Company and its minority Shareholders.

Xandar Capital Pte. Ltd. has been appointed as the Independent Financial Adviser to the Non-Interested Directors to, *inter alia*, opine on whether the Proposed Provision of Blockchain

LETTER TO SHAREHOLDERS

Agency Services is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

Having regard to the matters set out in their letter dated 4 June 2020 to the Non-Interested Directors, the Independent Financial Adviser is of the opinion that the Proposed Provision of Blockchain Agency Services as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders as set out in Section 6.1 of the IFA Letter.

The IFA Letter is reproduced in Appendix C to this Circular. Shareholders are advised to read the IFA Letter carefully.

6.7 Audit Committee Statement

Having considered, *inter alia*, the terms, rationale and benefits of the Proposed Provision of Blockchain Agency Services, the Audit Committee (save for Mr Yusaku Mishima who has abstained from deliberation as he is the sole legal representative of IBL and a director of WSPL and ISPL (which are part of the IB Group)) concurs with the view of the IFA and is of the view that the Proposed Provision of Blockchain Agency Services is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

7 THE PROPOSED ADOPTION OF IPT GENERAL MANDATE

7.1 Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies (each known as an entity at risk) enters into or proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that such interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

For the purposes of Chapter 9 of the Catalist Rules:

- (a) an “approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules;
- (b) an “entity at risk” means:
 - (i) the issuer;
 - (ii) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;
- (c) an “interested person” means (i) a director, chief executive officer, or controlling shareholder of the issuer; or (ii) an associate of any such director, chief executive officer, or controlling shareholder;
- (d) an “interested person transaction” means a transaction between an entity at risk and an interested person;
- (e) “financial assistance” includes: (a) the lending of money, the guaranteeing or providing security for a debt incurred or the indemnifying of a guarantor for guaranteeing or providing security; and (b) the forgiving of a debt, the releasing of or neglect in enforcing an obligation of another, or the assuming of the obligations of another; and

LETTER TO SHAREHOLDERS

- (f) a “transaction” includes (i) the provision or receipt of financial assistance; (ii) the acquisition, disposal or leasing of assets; (iii) the provision or receipt of goods or services; (iv) the issuance or subscription of securities; (v) the granting of or being granted options; and (vi) the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

Except for any transaction which is below S\$100,000 in value and certain transactions which, by reason of the nature of such transactions are excluded from certain requirements of Chapter 9 of the Catalist Rules, the listed company is required to make an immediate announcement and/or to seek its shareholders’ approval for the transaction.

An immediate announcement is required where:

- (a) the value of an interested person transaction is equal to, or more than, three per cent. (3%) of the listed group’s latest audited NTA; or
- (b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year amounts to three per cent. (3%) or more of the listed group’s latest audited NTA.

In addition, shareholders’ approval (in addition to an immediate announcement) is required for an interested person transaction of a value equal to, or exceeding:

- (a) five per cent. (5%) of the listed group’s latest audited NTA; or
- (b) five per cent. (5%) of the listed group’s latest audited NTA, when aggregated with the values of other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

For the purposes of aggregation, any interested person transactions below S\$100,000 each are to be excluded. Nevertheless, the Company will subject all Mandated Transactions under the IPT General Mandate, including those below S\$100,000 and any such transaction entered into during the same financial year with the same interested person will be aggregated and treated as if they were one. Please refer to the guidelines and review procedures set out in Section 7.4 of this Circular.

For FY2019, the Company entered into a loan agreement with QRC on 13 December 2019 in respect of an interest-free loan of S\$200,000 provided by QRC to the Company, which is repayable within 6 months from the date of the loan agreement. Save for the above, the Group did not enter into any interested person transaction with QRC or the IB Group in FY2019.

From 1 January 2020 up to the Latest Practicable Date, the Company entered into a loan agreement with QRC on 28 February 2020 in respect of an interest-free loan of S\$500,000 provided by QRC to the Company, which is repayable after 1 May 2021. Save for the above and the Proposed Provision of Blockchain Agency Services as disclosed in this Circular, the Group did not enter into any interested person transaction with QRC or the IB Group.

Rule 920 of the Catalist Rules allows a listed company to seek a general mandate from its shareholders for recurrent transactions with interested persons where such transactions are of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate granted by shareholders is subject to annual renewal.

As it is anticipated that the Group will continue to transact with the IB Group and given the Company’s latest audited consolidated net tangible liabilities position as at 31 December 2019,

LETTER TO SHAREHOLDERS

the Company is seeking Independent Shareholders' approval at the EGM for the proposed adoption of the IPT General Mandate pursuant to Rule 920 of the Catalist Rules.

7.2 Rationale and benefits of the adoption of the IPT General Mandate

In view of the time-sensitive and recurrent nature of commercial transactions, the Company is proposing the adoption of the IPT General Mandate to enable the Group to enter in the ordinary course of business into any of the Mandated Transactions with the Mandated Interested Persons, provided that such transactions are made on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, and in accordance with the review procedures for such transactions.

The IPT General Mandate, if approved by the Independent Shareholders at the EGM, will eliminate the need for the Company to announce and convene separate general meetings on each occasion to seek Independent Shareholders' prior approval for each separate Mandated Transaction to be entered into between the Group and the Mandated Interested Persons of a revenue nature or those necessary for its business or operations. This will substantially reduce the expenses and time associated with the convening of general meetings (including the engagement of external advisers and preparation of documents), improve administrative efficacy and allow manpower resources and time to be channelled towards attaining other business objectives. It will also enable the Group to capitalise on commercial and business opportunities that may avail themselves promptly, in order to ensure competitiveness, and not be placed at a disadvantage to other competitors.

Further, as set out in section 6.4 of this Circular, the Board is optimistic that the Group will be able to expand the New Business with the assistance of QRC and its shareholder, Mr Hiroyuki Enomoto (as well as their respective Associates). Save for Mr Yusaku Mishima, the Directors of the Company are of the view that the Group will benefit as recurring transactions with Mandated Interested Persons also represent an additional source of revenue for the Group and enable the Group to substantially increase its asset base and revenue streams.

The proposed IPT General Mandate is intended to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the Mandated Interested Persons, provided that they are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. This allows the Group to leverage on the operational strengths of its Mandated Interested Persons and reduce overlapping costs to achieve greater growth.

7.3 The IPT General Mandate

Nature and scope of the Mandated Transactions

The IPT General Mandate will apply to the following categories of transactions with the Mandated Interested Persons:

(a) **Sales Agency Services**

This category of Mandated Transactions involves the provision of sales agency services to the IB Group in respect of the products and services of the IB Group.

The Group will act as a non-exclusive agent on behalf of the IB Group and provide sales and marketing services to the IB Group in respect of the IB Group's products and services.

(b) **Software Development Outsource Agency Services**

This category of Mandated Transactions involves the sale and marketing of products and services to customers on behalf of the IB Group for software development projects.

LETTER TO SHAREHOLDERS

In this category of Mandated Transactions, the Group will act as an agent for and on behalf of the IB Group and sell and market the software development resources of the IB Group to the customers, including but not limited to software engineers and consultants. The Group will also provide client servicing and liaison services to facilitate the software development project to be handled by the IB Group.

Names of Mandated Interested Persons

The Mandated Interested Persons to be covered in the IPT General Mandate comprise the IB Group, as follows:

- (a) Infinity Blockchain Holdings Pte. Ltd. (“**IBH**”)

Please refer to section 6.3 of this Circular for more information on IBH.

- (b) Infinity Blockchain Labs Co., Ltd. (“**IBL**”)

IBL is a private limited company incorporated in Vietnam. As at the Latest Practicable Date, IBL is wholly owned by IBH. Mr Yusaku Mishima, the Non-Independent Non-Executive Director of the Company, is the sole legal representative of IBL.

Accordingly, IBL is deemed an “interested person” for purposes of Chapter 9 of the Catalist Rules. Any transactions entered into between the Group and IBL, will be regarded as interested person transactions, and will be subject to Chapter 9 of the Catalist Rules.

- (c) Wowtrace Singapore Pte. Ltd. (“**WSPL**”)

WSPL is a private limited company incorporated in Singapore. As at the Latest Practicable Date, WSPL is wholly owned by IBH. Mr Yusaku Mishima, the Non-Independent Non-Executive Director of the Company, is a director of WSPL.

Accordingly, WSPL is deemed an “interested person” for purposes of Chapter 9 of the Catalist Rules. Any transactions entered into between the Group and WSPL, will be regarded as interested person transactions, and will be subject to Chapter 9 of the Catalist Rules.

- (d) Infinito Solutions Pte. Ltd. (“**ISPL**”)

ISPL is a private limited company incorporated in Singapore. As at the Latest Practicable Date, ISPL is wholly owned by IBH. Mr Yusaku Mishima, the Non-Independent Non-Executive Director of the Company, is a director of ISPL.

Accordingly, ISPL is deemed an “interested person” for purposes of Chapter 9 of the Catalist Rules. Any transactions entered into between the Group and ISPL, will be regarded as interested person transactions, and will be subject to Chapter 9 of the Catalist Rules.

- (e) Infinity Blockchain Ventures Malaysia Sdn. Bhd. (“**IBVM**”)

IBVM is a private limited company incorporated in Malaysia. As at the Latest Practicable Date, IBVM is wholly owned by IBH. Mr Hiroyuki Enomoto, a Controlling Shareholder of the Company, is a director of IBVM.

Accordingly, IBVM is deemed an “interested person” for purposes of Chapter 9 of the Catalist Rules. Any transactions entered into between the Group and IBVM, will be regarded as interested person transactions, and will be subject to Chapter 9 of the Catalist Rules.

LETTER TO SHAREHOLDERS

The IB Group is principally engaged in the business of providing blockchain-related services, including but not limited to research and development, software development and technical development and advisory services, and developing blockchain-related products, including but not limited to blockchain technology products.

7.4 Guidelines and review procedures for Mandated Transactions

To ensure that the Mandated Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, the Company has put in place guidelines and review procedures for the Mandated Transactions under the IPT General Mandate as set out below in this section.

All Mandated Transactions shall be conducted in accordance with the Group's usual business practices and policies, consistent with the usual margins, rates or prices received or paid by the Group for the same or substantially similar type of transactions between the Group and unrelated third parties, and the terms extended to, or extended by, the Mandated Interested Persons are not more favourable to the Mandated Interested Person or not less favourable to the Company, compared to those extended to or received from unrelated third parties after taking into account the requirements, specifications, complexity, industry norms, capacity availability and resources required.

All relevant members of the Group which are involved in the review procedures as set out below shall have no interest, direct or indirect, in the Mandated Transactions.

Guidelines and review procedures

(a) Sales Agency Services

For Mandated Transactions involving the provision of Sales Agency Services to the Mandated Interested Persons, the Head of Finance and Administration of the Group shall review and compare the pricing and terms of the Mandated Transactions with that of at least two other transactions of a similar nature with unrelated third parties.

During the review and comparison, the Group's usual business practices and policies shall be taken into consideration, to ensure that the pricing and terms of the Mandated Transactions are consistent and/or not more favourable to the Mandated Interested Persons when compared with similar type of transactions or quotations between the Group and unrelated third parties. The Group shall also take into account factors such as the requirements, specifications, standard and delivery time of services, deliverables, payment milestones and schedules, duration of contracts, profit margin, industry norms, complexity and resources required for when transacting with the Mandated Interested Persons.

In circumstances where it is impractical or impossible to obtain comparable prices of contemporaneous transactions of similar goods, the pricing and terms of the Mandated Transactions shall be reviewed and determined as to:

- (1) whether the Mandated Transactions are consistent with the Group's usual business practices;
- (2) whether the pricing for the Mandated Transactions are consistent with the usual margin to be obtained by the Group for the same or similar type of contract or transaction with unrelated third parties; and
- (3) whether the pricing and terms charged by the Group to the Mandated Interested Persons are fair and reasonable, taking into account factors such as, but not limited to, publicly disclosed agency rates of similar transactions (including commission paid by SaaS (Software-as-a-Service) companies, where available) in the last two years, the potential earnings achieved through the transaction, availability of resources, facilities, capacity and technical

LETTER TO SHAREHOLDERS

capabilities, nature of the goods and services, requirements, specifications, delivery time of goods and services, payment milestones and schedules, industry norms, customer's credit standing, potential for future repeat business and/or strategic purpose of the transaction, complexity and resources required for when transacting with the Mandated Interested Persons.

The review shall be undertaken by the Head of Finance and Administration of the Group, in consultation with the Chairman of the Audit Committee and/or qualified personnel of the Company with suitable experience expertise in the blockchain industry, provided that such person(s) are not interested persons and have no interest, direct or indirect, in the Mandated Transactions.

(b) Software Development Outsource Agency Services

For Mandated Transactions involving the provision of Software Development Outsource Agency Services to the Mandated Interested Persons, the Head of Finance and Administration of the Group shall review and compare the pricing and terms of the Mandated Transactions with that of at least two other transactions of a similar nature with unrelated third parties.

During the review and comparison, the Group's usual business practices and policies shall be taken into consideration, to ensure that the pricing and terms of the Mandated Transactions are consistent and/or not more favourable to the Mandated Interested Persons when compared with similar type of transactions or quotations between the Group and unrelated third parties. The Group shall also take into account factors such as the requirements, specifications, standard and delivery time of services, duration of contracts, profit margin, deliverables, payment milestones and schedules, industry norms, complexity and resources required for when transacting with the Mandated Interested Persons.

In circumstances where it is impractical or impossible to obtain comparable prices of contemporaneous transactions or quotations of similar services, the pricing and terms of the Mandated Transactions shall be reviewed and determined as to

- (1) whether the Mandated Transactions are consistent with the Group's usual business practices;
- (2) whether the pricing for the Mandated Transactions are consistent with the usual margin to be obtained by the Group for the same or similar type of contract or transaction with unrelated third parties; and
- (3) whether the pricing and terms charged by the Group to the Mandated Interested Persons are fair and reasonable, taking into account factors such as, but not limited to, publicly disclosed agency rates of similar transactions in the last two years (including commission paid by SaaS companies, where available), the potential earnings achieved through the transaction, availability of resources, facilities, capacity and technical capabilities, nature of the goods and services, requirements, specifications, delivery time of goods and services, payment milestones and schedules, industry norms, customer's credit standing, potential for future repeat business and/or strategic purpose of the transaction, complexity and resources required for when transacting with the Mandated Interested Persons.

The review shall be undertaken by the Head of Finance and Administration of the Group, in consultation with the Chairman of the Audit Committee and/or qualified personnel of the Company with suitable experience expertise in the blockchain industry, provided that such person(s) are not interested persons and have no interest, direct or indirect, in the Mandated Transactions.

LETTER TO SHAREHOLDERS

The Company shall, in due course, appoint at least one executive director, with at least one year of experience in the blockchain industry and make the appropriate announcements accordingly.

Approval threshold limits

In addition to and as part of the guidelines and review procedures set out above, before entering into the Mandated Transactions, each of the Mandated Transactions will also be internally subject to the pre-approval by the relevant authorities according to the value of the Mandated Transaction as set out in the approval matrix below:

Mandated Transactions – Approval Matrix		
Value ⁶ of each Mandated Transaction	Approving authorities (each having no interest, direct or indirect, in the Mandated Transaction) – where there are comparable transactions or quotations	Approving authorities (each having no interest, direct or indirect, in the Mandated Transaction) – where there are no comparable transactions or quotations
<i>(a) In the event the Group's consolidated NTA is positive following the adoption of the IPT General Mandate and subject to the SGX-ST's approval at that relevant juncture:</i>		
Equal to or exceeding 3% but less than 5% of the latest audited consolidated NTA of the Group	Any Executive Director and the Head of Finance and Administration	Any Executive Director and the Head of Finance and Administration
Equal to or exceeding 5% of the latest audited consolidated NTA of the Group	The Audit Committee	The Audit Committee
<i>(b) In the event the Group's consolidated NTA is negative:</i>		
Equal to or exceeding 3% but less than 5% of the Company's market capitalisation as at the most recently completed financial year end	Any Executive Director and the Head of Finance and Administration	Any Executive Director and the Head of Finance and Administration
Equal to or exceeding 5% of the Company's market capitalisation as at the most recently completed financial year end	The Audit Committee	The Audit Committee

The Group will submit all executed Mandated Transactions to the Audit Committee for review whenever the cumulative value of the executed Mandated Transactions (excluding those already endorsed by the Audit Committee) exceeds 5% of the latest audited NTA (or market

⁶ Value of each Mandated Transaction means the value of agency commission which the Group receives and retains as consideration of Sales Agency Services and Software Development Outsource Agency Services.

LETTER TO SHAREHOLDERS

capitalisation, as the case may be) of our Group, during the period in which the IPT General Mandate is in force.

The Group had negative NTA as at 31 December 2019. Based on the Company's last transacted price of S\$0.185 for each Share on 5 September 2019 (being the last Market Day for which the Shares were traded on or before 31 December 2019), the market capitalisation of the Company amounted to S\$22,405,110. Accordingly, for FY2020, based on the approval matrix above, any Mandated Transaction which has a value equals to or exceed approximately S\$672,153 (being 3% of the Company's market capitalisation) shall be approved by an Executive Director and the Head of Finance and Administration while any Mandated Transaction which has a value equals to or exceed approximately S\$1,120,255 (being 5% of the Company's market capitalisation) shall be approved by the Audit Committee. The Mandated Transactions shall also be submitted to the Audit Committee when their cumulative value is equals to or exceeds approximately S\$1,120,255.

The Company had on 29 May 2020 consulted with the SGX-ST for the use of the market capitalisation of the Company as at the date of the AGM approving the adoption, or the renewal, of the IPT General Mandate, instead of the audited consolidated NTA of the Group, as the basis for computing the materiality percentage for purposes of the approval threshold limits.

The rationale for the use of the market capitalisation of the Company as an alternative reference point are as follows:

- (a) based on the latest audited financial statements of the Group for the financial year ended 31 December 2019, the audited consolidated NTA of the Group was negative S\$2.9 million. In applying Rules 905 and 906 of the Catalist Rules, where the audited consolidated NTA of the Group is used as a basis to determine the threshold values for the internal approval threshold limits, all Interested Person Transactions would exceed the said thresholds and would have to be subject to approval by the Audit Committee. This would be excessively burdensome on the Audit Committee, as the Audit Committee would have to incur substantial time to approve each and every Mandated Transactions, regardless of the quantum of value at risk to the Company.
- (b) by using the market capitalisation of the Company as a basis, there will be no concerns of negative value arising since the market capitalisation is computed by multiplying the market price of the Shares with the number of Shares in issue (excluding treasury shares).

The SGX-ST had on 4 June 2020 granted its approval to the Company for the use of the market capitalisation of the Company as at the end of the immediately preceding financial year, instead of the audited consolidated NTA of the Group, as the basis for computing the materiality percentage for purposes of the approval threshold limits, provided that this alternative reference point is to be used only until such time the audited consolidated NTA of the Group turns positive. For the avoidance of doubt, in the event the audited consolidated NTA of the Group turns positive, the Company will need to consult the SGX-ST to determine the appropriate benchmark with which to assess the materiality percentage for purposes of the approval threshold limits.

The approval threshold limits set out above are adopted by the Company taking into account, *inter alia*, the nature, volume, recurrent frequency and size of the Mandated Transactions as well as the Group's day-to-day operations, administration and businesses. The approval threshold limits are arrived at with the view of striking a balance between maximising the operational efficiency of the day-to-day operations of the Group, and maintaining adequate internal controls and governance in relation to the Mandated Transactions.

The approving authorities under the approval matrices above ("**Approving Authorities**") may, if they deem fit, have the right to require the appointment of independent advisers and/or valuers from external or professional sources to provide additional information or review of controls and implementation pertaining to the Mandated Transactions under review.

LETTER TO SHAREHOLDERS

In the event that any of the Approving Authorities has an interest, directly or indirectly, in the Mandated Transaction under consideration for approval, he shall disclose his interest and abstain from reviewing and approving the transaction. Such transaction will be reviewed and approved by the next higher level of Approving Authority in accordance with the approval matrices above (each having no interest, direct or indirect, in the Mandated Transaction).

In the event that any member of the Audit Committee has an interest, directly or indirectly, in the Mandated Transactions, he shall disclose his interest and abstain from reviewing and approving the transaction. Such transaction will be reviewed and approved by the remaining members of the Audit Committee (each having no interest, direct or indirect, in the Mandated Transaction).

As at the Latest Practicable Date, save for Mr Yusaku Mishima who shall abstain from reviewing and approving any of the Mandated Transactions as he is the sole legal representative of IBL and one of the directors of WSPL and ISPL (which are part of the IB Group), none of the members of the Audit Committee and their respective Associates has an interest, directly or indirectly, in the Mandated Transaction.

Additional guidelines and review procedures

In addition to and as part of the guidelines and review procedures set out above, the Company will also implement the following additional guidelines and procedures to ensure that the Mandated Transactions carried out under the IPT General Mandate are undertaken on an arm's length basis and on normal commercial terms:

(a) Maintain a register of Mandated Transactions ("**IPT Register**")

The Company will maintain a register to record all Mandated Transactions (including those below S\$100,000 in value) which include all information pertinent to the Mandated Transactions, such as but not limited to, the identity of the Mandated Interested Persons involved in the Mandated Transactions, the value of the Mandated Transactions, the nature and scope of the Mandated Transactions, basis and rationale for entering into the Mandated Transactions, including the quotations, relevant supporting documents and other evidence obtained to support such basis with written approvals. These quotations and supporting documents and other evidence obtained may be kept or maintained by other relevant departments. The IPT Register is prepared, maintained and monitored by senior personnel such as the Head of Finance and Administration of the Group (who shall not be interested, direct or indirect, in any of the Mandated Transactions) and who are duly delegated to do so by the Audit Committee.

(b) Maintain a list of Mandated Interested Persons

The Company will maintain a list of Mandated Interested Persons and their Associates which shall be reviewed by the Head of Finance and Administration on a quarterly basis and subject to such verifications or declarations as required by the Audit Committee from time to time or for such periods as determined by them.

(c) Review by Audit Committee

Members of the Audit Committee will periodically, at least on a half-yearly basis, review the basis and documents of all approved Mandated Transactions (including Mandated Transactions below S\$100,000 in value) to ensure that the procedures for review, approvals as well as monitoring and administration are adequate and adhered to, in ensuring that Mandated Transactions are undertaken on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction(s) and its supporting documents or such other data deemed necessary by the Audit Committee.

LETTER TO SHAREHOLDERS

The Audit Committee will also review, at least on a half-yearly basis, the established guidelines and review procedures of the Mandated Transactions and determine if such guidelines and review procedures continue to be adequate and/or commercially practicable in ensuring that the Mandated Transactions are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

If the Audit Committee is of the view that the guidelines and review procedures have become inappropriate and/or insufficient to meet such objectives, the Company will seek a fresh mandate from Independent Shareholders based on new guidelines and review procedures. During the period prior to obtaining such fresh mandate from Independent Shareholders, all Mandated Transactions will be subject to prior review and approval by the Audit Committee, subject to the requirements under Chapter 9 of the Catalist Rules.

(d) Review by internal auditors

The Group will incorporate a review of Mandated Transactions in its internal audit plan. The internal auditors will review the Mandated Transactions to check that, amongst other things, the relevant approvals have been obtained and the guidelines and review procedures for the Mandated Transactions have been adhered to. The internal auditors will forward their review reports to the Audit Committee.

(e) Review by external auditors and/or other professional advisers

The Group's external auditors will review the Mandated Transactions on a sampling basis as part of the Group's annual audit. The external auditors will report any non-compliance issues noted from the audit samples to the Audit Committee. In addition, the Audit Committee, shall, when it deems fit, have the right to require the appointment of independent advisers to advise on the transactions under review or approved or to advise on the guidelines and review procedures. The outcome of such review shall be documented and minuted.

7.5 Validity period of the IPT General Mandate

The Proposed Adoption of the IPT General Mandate is subject to Independent Shareholders' approval at the EGM and, if approved, will take effect from the date of the passing of the ordinary resolution relating thereto at the EGM, and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the date on which the next AGM of the Company is held or is required by law to be held, whichever is earlier. Approval from Independent Shareholders will be sought for the renewal of the IPT General Mandate at each subsequent AGM (or EGM held on the same day as the AGM) subject to satisfactory review by the Audit Committee of its continued application to the transactions with Mandated Interested Persons.

7.6 Disclosures

The Company shall announce the aggregate value of Mandated Transactions conducted with Mandated Interested Persons pursuant to the IPT General Mandate for each financial period which the Company is required to report on pursuant to Rule 705 of the Catalist Rules and within the time required for the announcement of such report in accordance with Rule 920(1)(a)(ii) of the Catalist Rules.

Disclosure shall also be made in the annual report of the Company of the aggregate value of the Mandated Transactions conducted with the Mandated Interested Persons pursuant to the IPT General Mandate during the current financial year, and in the annual reports for the subsequent financial years during which the IPT General Mandate is in force in accordance with Rule 920(1)(a)(i) of the Catalist Rules.

The name of the Mandated Interested Person and the corresponding aggregate value of the Mandated Transactions shall be presented in the following format in accordance with Rule 907 of the Catalist Rules:

LETTER TO SHAREHOLDERS

Name of interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the Shareholders' mandate pursuant to Rule 920 of the Catalyst Rules)	Aggregate value of all Mandated Transactions conducted under the Shareholders' mandate pursuant to Rule 920 of the Catalyst Rules (excluding transactions less than S\$100,000)

7.7 Advice of the Independent Financial Adviser to the Non-Interested Directors

Chapter 9 of the Listing Manual provides that, where Shareholders' approval is required for the Proposed Adoption of IPT General Mandate, the Circular must include an opinion from an independent financial adviser as to whether the methods or procedures for determining transaction prices are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Xandar Capital Pte. Ltd. has been appointed as the Independent Financial Adviser to the Non-Interested Directors to, *inter alia*, opine on whether the guidelines and review procedures as set out in Section 7.4 of this Circular are sufficient to ensure that the Mandated Transactions covered under the IPT General Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Having regard to the matters set out in their letter dated 4 June 2020 to the Non-Interested Directors, the Independent Financial Adviser is of the opinion that the methods and procedures for determining the terms of the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders as set out in Section 6.2 of the IFA Letter.

The IFA Letter is reproduced in Appendix C to this Circular. Shareholders are advised to read the IFA Letter carefully.

7.8 Statement of the Audit Committee

Having considered, *inter alia*, the rationale, benefits and the guidelines and review procedures for the Mandated Transactions and the reviews to be made periodically by the Audit Committee in relation thereto, the Audit Committee (save for Mr Yusaku Mishima who has abstained from deliberation as he is the sole legal representative of IBL and a director of WSPL and ISPL (which are part of the IB Group)) concurs with the view of the IFA and is of the view that the guidelines and review procedures set out in Section 7.4 above for determining the terms, including transaction prices, of the Mandated Transactions are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

8 INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders as at the Latest Practicable Date, based on information as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained under the Companies Act, are as follows:

Directors	Direct Interest	Number of Shares		
		%(1)	Deemed Interest	%(1)
Fan Chee Seng	26,778,260	22.11	-	-

LETTER TO SHAREHOLDERS

Yusaku Mishima	-	-	-	-
Foo Kia Juah	-	-	-	-
Kok Cheang Hung	-	-	-	-
Tee Hian Chong	-	-	-	-
		Number of Shares		
Substantial Shareholders (other than Directors)	Direct Interest	%⁽¹⁾	Deemed Interest	%⁽¹⁾
QRC Pte. Ltd. ⁽⁴⁾	77,670,840	64.13	-	-
Hiroyuki Enomoto ⁽²⁾	-	-	77,670,840	64.13

Notes:

- (1) The percentages are based on the Existing Share Capital of the Company as at the Latest Practicable Date, comprising 121,108,700 Shares.
- (2) By virtue of Section 4 of the SFA, Mr Hiroyuki Enomoto is deemed to be interested in 77,670,840 Shares held by QRC Pte. Ltd. in the Company, as Mr Hiroyuki Enomoto owns 100% of the equity interests in QRC Pte. Ltd..

Save as set out in this Circular, none of the Directors (other than in his capacity as Director or shareholder of the Company) nor (as far as the Directors are aware) the Substantial Shareholders or their respective Associates has any interest, direct or indirect, in the Proposed Corporate Exercises, or any connection (including business relationship) with any of the entities within the IB Group or MPL or their respective directors or substantial shareholders.

9 DIRECTORS' RECOMMENDATIONS

9.1 The Proposed Diversification

The Directors having considered, *inter alia*, the terms and rationale for the Proposed Diversification, are of the opinion that the Proposed Diversification is in the best interests of the Company and its Shareholders.

Accordingly, the Directors recommend that the Shareholders vote in favour of Ordinary Resolution 1 in relation to the Proposed Diversification.

9.2 The Proposed Internal Restructuring

The Directors having considered, *inter alia*, the terms and rationale for the Proposed Internal Restructuring, are of the opinion that the Proposed Internal Restructuring is in the best interests of the Company and its Shareholders.

Accordingly, the Directors recommend that the Shareholders vote in favour of Ordinary Resolution 2 in relation to the Proposed Internal Restructuring.

9.3 The Proposed Provision of Blockchain Agency Services

The Non-Interested Directors having considered, *inter alia*, the terms and rationale for the Proposed Provision of Blockchain Agency Services, the opinion of the Independent Financial Adviser on the Proposed Provision of Blockchain Agency Services as set out in Section 6.1 of the IFA Letter, are of the opinion that the Proposed Provision of Blockchain Agency Services is in the best interests of the Company and its Shareholders.

Accordingly, the Non-Interested Directors recommend that the Shareholders vote in favour of Ordinary Resolution 3 in relation to the Proposed Provision of Blockchain Agency Services.

9.4 The Proposed Adoption of IPT General Mandate

The Non-Interested Directors having considered, *inter alia*, the terms and rationale for the

LETTER TO SHAREHOLDERS

Proposed Adoption of IPT General Mandate, the opinion of the Independent Financial Adviser on the Proposed Adoption of the IPT General Mandate as set out in Section 6.2 of the IFA Letter, are of the opinion that the Proposed Adoption of IPT General Mandate is in the best interests of the Company and its Shareholders and that the Group be permitted to have the flexibility to enter into the Mandated Transactions described in Section 7 above in their ordinary course of business with the Mandated Interested Persons for reasons stated in this Circular.

Accordingly, the Non-Interested Directors recommend that the Shareholders vote in favour of Ordinary Resolution 4 in relation to the Proposed Adoption of IPT General Mandate.

9.5 The Proposed Change of Name

The Directors having considered, *inter alia*, the terms and rationale for the Proposed Change of Name, are of the opinion that the Proposed Change of Name is in the best interests of the Company and its Shareholders.

Accordingly, the Directors recommend that the Shareholders vote in favour of Special Resolution 1 in relation to the Proposed Change of Name.

9.6 Note to Shareholders

In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

10 ABSTENTION FROM VOTING

QRC will abstain from voting on the Proposed Provision of Blockchain Agency Services and Proposed Adoption of IPT General Mandate and has undertaken to ensure that its associates will abstain from voting (in compliance with Rule 919 of the Catalist Rules) in respect of the Proposed Provision of Blockchain Agency Services and Proposed Adoption of IPT General Mandate. QRC shall also decline and has undertaken to ensure that its associates shall also decline, to accept appointment as proxies to vote at and attend the forthcoming EGM in respect of the Proposed Provision of Blockchain Agency Services and Proposed Adoption of IPT General Mandate.

The Company will disregard any votes cast on a resolution by the person required to abstain from voting by the listing rule or pursuant to a court order where such court order is served on the Company.

11 CONSENT FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, its IFA Letter as set out in Appendix C of this Circular, and all references thereto, in the form and context in which they appear in this Circular.

12 EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held on 26 June 2020 at 2.00 p.m. for the purpose of considering and if, thought fit, passing, with or without modifications, the Ordinary Resolutions and Special Resolution set out in the notice of EGM.

13 ACTIONS TO BE TAKEN BY SHAREHOLDERS

No attendance at EGM

LETTER TO SHAREHOLDERS

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM.

Alternative Arrangements

Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the proceedings of the EGM via “live” webcast or listening to the proceedings of the EGM via “live” audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM. Shareholders should refer to the Company’s announcement dated 4 June 2020 entitled “Information Relating to Annual General Meeting and Extraordinary General Meeting to be Held on 26 June 2020” which has been uploaded together with this Circular on SGXNET for further information, including the steps to be taken by Shareholders to participate at the EGM. Such announcement may also be accessed at <https://dlfholdings.sg/announcements/>. In view of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, printed copies of the notice of EGM will not be sent to members. The Notice of EGM, with the proxy form, question form and the Company’s Circular to Shareholders will be sent to members by electronic means via an announcement on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and may be accessed at the Company’s website at the URL <https://dlfholdings.sg/announcements/>.

Appointment of Proxies

SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their SRS Operators to submit their votes at least 7 working days before the EGM.

The instrument appointing the Chairman of the EGM as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:

- (a) if sent personally or by post, be lodged at the office of the Company’s Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898; or
- (b) if submitted by email, be received by the Company’s Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com,

in either case, at least 72 hours before the time appointed for the EGM.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

14 DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Diversification, Proposed Adoption of IPT General Mandate, Proposed Provision of Blockchain Agency Services and the Proposed Change of Name, the Company and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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

LETTER TO SHAREHOLDERS

Circular in its proper form and context.

15 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's registered office at 140, Paya Lebar Road, #08-07, AZ @ Paya Lebar, Singapore 409015, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Constitution;
- (b) the Blockchain Agency Agreements;
- (c) the IFA Letter; and
- (d) the consent letter from the Independent Financial Adviser.

In addition, the following documents have been uploaded on SGXNet and are also available on the Company's website at the URL <https://dlfholdings.sg/announcements/>:

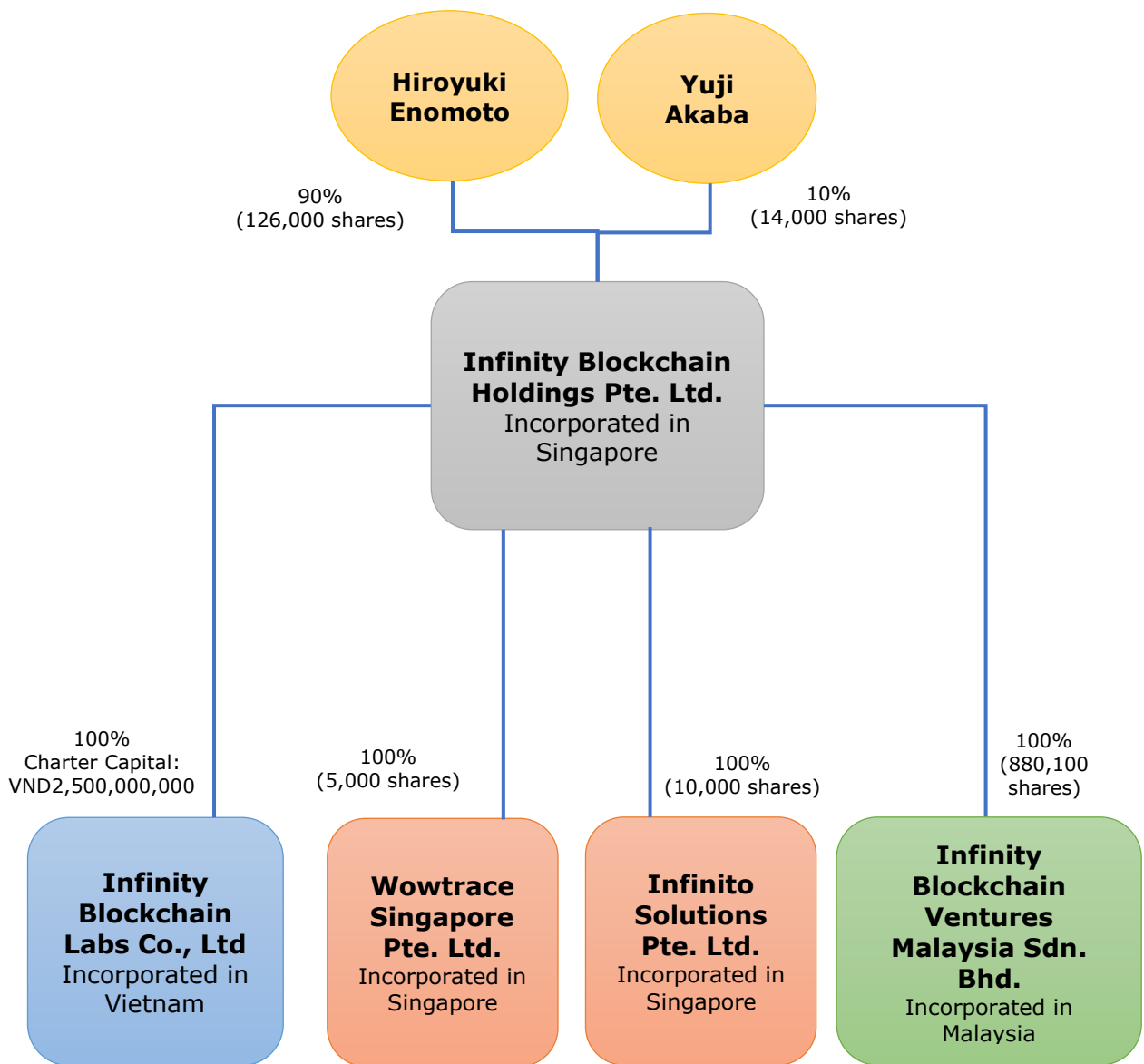
- (a) this Circular;
- (b) the notice and proxy form for the extraordinary general meeting; and
- (c) the annual report of the Company for FY2019.

Shareholders who wish to inspect these documents at the Company's registered office are required to send an email request to enquiry@dlfholdings.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.

Yours faithfully
For and on behalf of
**The Board of Directors of
DLF HOLDINGS LIMITED**

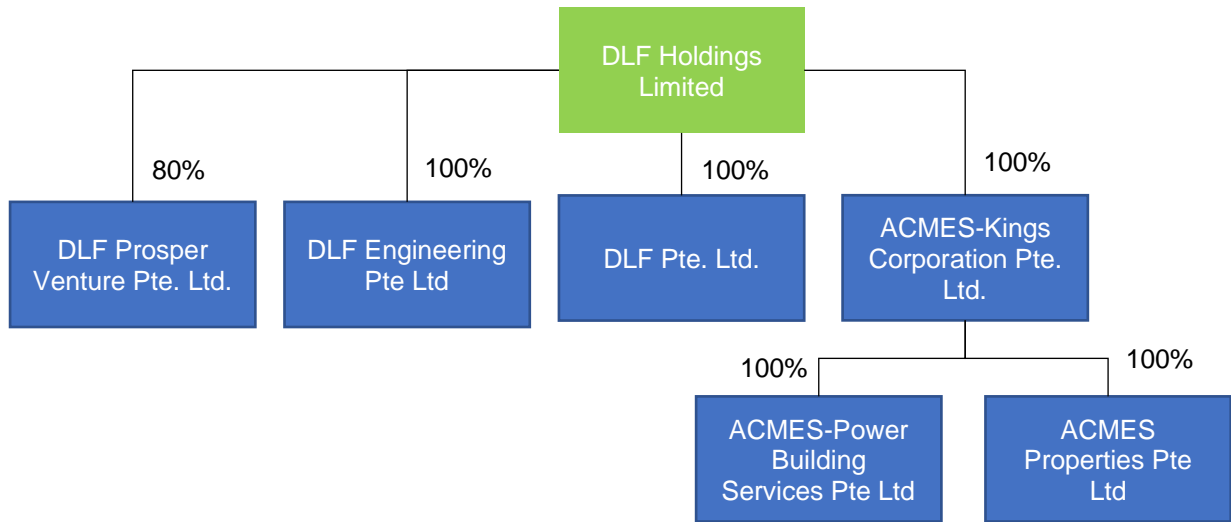
Mr. Fan Chee Seng
Executive Chairman

APPENDIX A – STRUCTURE OF THE IB GROUP

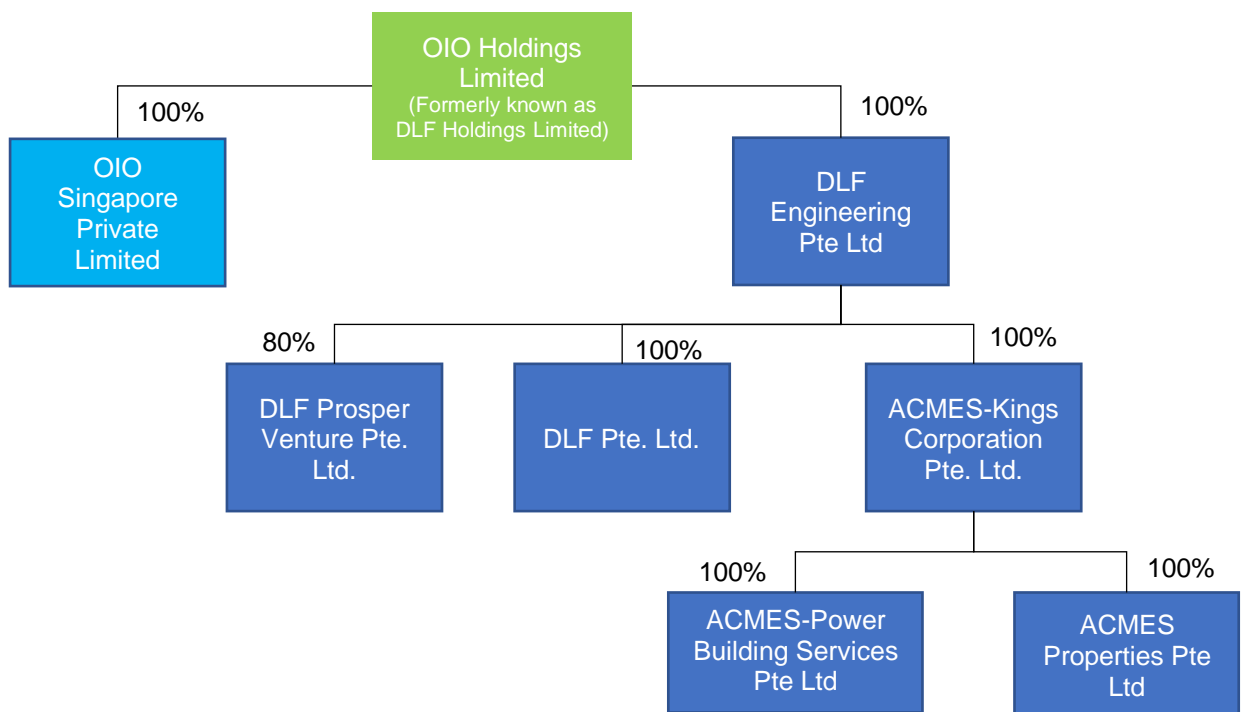


APPENDIX B – STRUCTURE OF THE GROUP AFTER PROPOSED INTERNAL RESTRUCTURING

Existing Structure of the Group



Structure of the Group post-Proposed Internal Restructuring



APPENDIX C – IFA LETTER



4 June 2020

STRICTLY CONFIDENTIAL

DLF HOLDINGS LIMITED
140 Paya Lebar Road
Singapore 409015

Attention: The Non-Interested Directors

Dear Sirs

LETTER FROM XANDAR CAPITAL PTE. LTD. TO THE NON-INTERESTED DIRECTORS OF DLF HOLDINGS LIMITED (THE "COMPANY") IN RESPECT OF:

- (A) **THE PROPOSED PROVISION OF BLOCKCHAIN AGENCY SERVICES TO INFINITY BLOCKCHAIN HOLDINGS PTE. LTD. PURSUANT TO THE TERMS OF THE R&D AGREEMENT AS AN INTERESTED PERSON TRANSACTION (THE "PROPOSED PROVISION OF BLOCKCHAIN AGENCY SERVICES"); AND**
- (B) **THE PROPOSED ADOPTION OF AN INTERESTED PERSON TRANSACTION GENERAL MANDATE (THE "PROPOSED ADOPTION OF IPT GENERAL MANDATE"),**

UNDER CHAPTER 9 OF THE CATALIST RULES.

*Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter which are not defined shall have the same meaning ascribed to them in the circular to shareholders of the Company dated 4 June 2020 (the "**Circular**").*

1. INTRODUCTION

DLF Holdings Limited (the "**Company**") is convening an extraordinary general meeting ("**EGM**") to seek its shareholders' approvals for several resolutions, including the following resolutions which relates to interested person transactions under Chapter 9 of the Catalist Rules:

- (a) The Proposed Provision of Blockchain Agency Services to IBH

On 28 February 2020, the Company entered into a tri-party agreement dated 28 February 2020 (the "**R&D Agreement**") with Infinity Blockchain Holdings Pte. Ltd. ("**IBH**") and Moonstake Pte. Ltd. ("**MPL**"), for the research and development of staking pool protocol owned by MPL using software development resources such as blockchain technology ("**MPL Software Development Project**"). Under the R&D Agreement, the Company shall provide software development outsource agency services to IBH (the "**Proposed Provision of the Blockchain Agency Services**"), wherein the Company shall act as an agent for and on behalf of IBH to sell and market the software development resources of IBH to its customers and to assist IBH in the management of the software development projects (the "**Software Development Outsource Agency Services**").

Page 1 of 15

Xandar Capital Pte. Ltd. 威豪金融 (私人) 有限公司 (Registration No. 200002789M)
Address 地址 3 Shenton Way #24-02 Shenton House Singapore 068805 珊顿道 3 号, 珊顿大厦 24-02, 新加坡 068805
Tel 电话 (65) 6319 4950 Fax 传真 (65) 6227 3936 Website 网址 <http://www.xandarcapital.com>



IBH is a 90%-owned company of Mr Hiroyuki Enomoto, who is deemed interested in the 77,670,840 ordinary shares, representing 64.13% interests in the capital of the Company (the “**Shares**”) held by QRC Pte. Ltd. (“**QRC**”). Accordingly, IBH is an associate of a controlling shareholder of the Company and is an interested person under Chapter 9 of the Listing Manual (Section B: Rules of Catalyst) of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”).

Based on the Group’s restated audited net tangible assets (“**NTA**”) of S\$0.8 million as at 31 December 2018, the value of the R&D Agreement exceeded 5% of the Group’s audited NTA as at the date of the R&D Agreement, and accordingly, the Proposed Provision of Blockchain Agency Services to IBH is an ‘interested person transaction’ subject to the approval of the Company’s shareholders who are considered independent in respect of the Proposed Provision of Blockchain Agency Services to IBH (the “**Independent Shareholders**”). As the R&D Agreement is ongoing as at the Latest Practicable Date, based on the latest audited NTA of the Group, which is negative, the Proposed Provision of Blockchain Agency Services to IBH is an ‘interested person transaction’ subject to the approval of the Independent Shareholders.

Pursuant to Catalyst Rule 921(4)(a), the Company has to obtain an opinion from an independent financial adviser (“**IFA**”) stating whether the Proposed Provision of Blockchain Agency Services (and all other transactions which are the subject of aggregation pursuant to Catalyst Rule 906) is on normal commercial terms and is not prejudicial to the interest of the Company and its minority shareholders.

(b) The Proposed Adoption of the IPT General Mandate

Under Chapter 9 of the Catalyst Rules, a listed company may seek a general mandate from its shareholders for recurrent interested person transactions of a revenue or trading nature or for those necessary for its day-to-day operations, but not in respect of the purchase or sale of assets, undertakings or businesses.

The Company anticipated that the Group will continue to transact with IBH and its subsidiaries (the “**IB Group**”), in particular, the Company has entered into a master agency services agreement with IBH on 28 February 2020 where the Group shall provide Software Development Outsource Agency Services and sales agency services in respect of blockchain-related products and services (“**Sales Agency Services**”), collectively, the “**Blockchain Agency Services**”, to the IB Group from 1 March 2020 to 1 March 2023 (which may be extended subject to the prior written agreement of both the Company and IBH). As such, the Company proposes to adopt a shareholders’ mandate (the “**IPT General Mandate**”) to facilitate future provision of Blockchain Agency Services as recurrent interested person transactions to IBH and its subsidiaries (the “**IB Group**”) (the “**Proposed Adoption of the IPT General Mandate**”).

Pursuant to Catalyst Rule 920(1)(b)(v), the Company has to obtain an opinion from an IFA stating whether the methods or procedures for determining transaction prices of the Mandated Transactions as set out in the IPT General Mandate (the “**IPT Procedures**”) are sufficient to ensure that the Mandated Transactions will be carried



out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The resolutions for the Proposed Provision of the Blockchain Agency Services and the Proposed Adoption of the IPT General Mandate are not inter-conditional upon each other.

Xandar Capital Pte. Ltd. ("**Xandar Capital**") has been appointed by the Company to act as the IFA to advise the Directors of the Company who are independent for the purposes of the Proposed Provision of Blockchain Agency Services and the Proposed Adoption of the IPT General Mandate, namely Mr. Fan Chee Seng, Mr. Foo Kia Juah, Mr. Kok Cheang Hung and Mr. Tee Hian Chong (the "**Non-Interested Directors**") as to (i) whether the Proposed Provision of Blockchain Agency Services to IBH is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders, and (ii) whether the methods and procedures set out in the IPT General Mandate are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

This letter sets out our evaluation and opinions of the Proposed Provision of Blockchain Agency Services to IBH and the IPT General Mandate (the "**IFA Letter**"). This IFA Letter forms part of the Circular issued by the Company in connection with the Proposed Provision of Blockchain Agency Services to IBH and the Proposed Adoption of the IPT General Mandate.

2. TERMS OF REFERENCE

Xandar Capital has been appointed to advise the Non-Interested Directors as to (i) whether the Proposed Provision of Blockchain Agency Services to IBH is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders, and (ii) whether the methods and procedures set out in the IPT General Mandate are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

We are not and were not involved in any aspect of the negotiations pertaining to the Proposed Provision of Blockchain Agency Services to IBH and the Proposed Adoption of the IPT General Mandate, nor were we involved in the deliberations leading up to the decisions on the part of the directors of the Company (the "**Directors**") to agree on the terms of the Proposed Provision of Blockchain Agency Services to IBH and the methods and procedures set out in the IPT General Mandate. Our evaluation is limited to the terms of the Proposed Provision of Blockchain Agency Services to IBH and the methods and procedures set out in the IPT General Mandate, and has not taken into account the legal risks, commercial risks or merits, financial risks or merits of the Proposed Provision of Blockchain Agency Services to IBH and/or the Proposed Adoption of the IPT General Mandate.

Our terms of reference do not require us to express, evaluate or comment on the rationale for, strategic or commercial merits and/or risks of the Proposed Provision of Blockchain Agency Services to IBH and the Proposed Adoption of the IPT General Mandate, or the future performance or prospects of the Group. We are, therefore, not expressing any opinion herein as to the future financial or other performance of the Company or the Group, whether with or without the Proposed Provision of Blockchain Agency Services to IBH and the Proposed Adoption of the IPT General Mandate.

APPENDIX C – IFA LETTER



As with other business transactions of the Company, the merit and/or associated risk, whether commercial, financial or otherwise, of the Proposed Provision of Blockchain Agency Services to IBH and the Proposed Adoption of the IPT General Mandate, are solely the responsibility of the Directors. Likewise, we are not expressing herein as to the prices at which the Shares may trade upon completion of the Proposed Provision of Blockchain Agency Services to IBH and upon the adoption of the IPT General Mandate. We are also not addressing the relative merits of the Proposed Provision of Blockchain Agency Services to IBH and the Proposed Adoption of the IPT General Mandate, as compared to any alternative transaction of the Group or that otherwise may become available to the Group in the future. Such evaluations or comments remain the responsibility of the Directors and the management of the Company.

In the course of our evaluation and for the purpose of providing our opinions in relation to the Proposed Provision of Blockchain Agency Services to IBH and the Proposed Adoption of the IPT General Mandate, we have held discussions with certain Directors and the management of the Group and have examined information provided by the Directors and the management of the Group and other publicly available information collated by us, upon which our view is based. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have nevertheless made reasonable enquiries and exercised our judgment as we deemed necessary or appropriate in assessing such information and are not aware of any reason to doubt the accuracy or reliability of the information.

We have relied upon the assurance of the Directors that the Directors collectively and individually accept full responsibility for the accuracy of the information given in the Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Proposed Provision of Blockchain Agency Services to IBH and the Proposed Adoption of the IPT General Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading. Where information in the Circular 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 the Circular in its proper form and context. In relation to this IFA Letter, the Directors have confirmed that the facts stated, with respect to the Group, the Proposed Provision of Blockchain Agency Services to IBH and the Proposed Adoption of the IPT General Mandate, are to the best of their knowledge and belief, fair and accurate in all material aspects.

Our assessment does not require us to make any independent evaluation or appraisal of the assets or liabilities (including without limitation, real properties) of the Company and/or Group and we have not been furnished with any evaluation or appraisal of any assets of the Company and/or the Group.

Our opinions are based upon prevailing market, economic, industry, monetary and other conditions (where applicable) and the information made available to us contained in the Circular as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our view in light of any subsequent development after the Latest Practicable Date that may affect our opinions contained therein. Shareholders should take note of any

Page 4 of 15



announcements relevant to their consideration of the Proposed Provision of Blockchain Agency Services to IBH and the Proposed Adoption of the IPT General Mandate, which may be released by the Company after the Latest Practicable Date.

In arriving at our opinions, we did not consider the specific investment objectives, financial situation, tax consequences, risk profile or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment objectives or portfolios should consult his or their legal, financial, tax or other professional advisors immediately.

Our opinions are for the use and benefit of the Non-Interested Directors in their deliberation of the Proposed Provision of Blockchain Agency Services to IBH and the Proposed Adoption of the IPT General Mandate, and the recommendations made by the Non-Interested Directors shall remain the responsibility of the Non-Interested Directors.

The Company has been separately advised by its own advisors in the preparation of the Circular (other than this IFA Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this IFA Letter).

Our opinions, in relation to the Proposed Provision of Blockchain Agency Services to IBH and the methods and procedures under the IPT General Mandate, should be considered in the context of the entirety of this IFA Letter and the Circular.

We recommend that the Directors advise Shareholders to read these pages carefully.

3. THE PROPOSED PROVISION OF BLOCKCHAIN AGENCY SERVICES TO IBH

Information on the Proposed Provision of Blockchain Agency Services is set out in Section 6 of the Circular. Shareholders are advised to read the information carefully. We set out a summary of the information as follows:

3.1 THE R&D AGREEMENT

We summarised the key terms of the R&D Agreement as follows:

Date of the R&D Agreement	:	28 February 2020
Parties to the R&D Agreement	:	MPL as the customer. The Company has separately entered into a sales agent and intellectual property sharing agreement with MPL on 28 February 2020, where the Company shall provide sales agency services to MPL in respect of MPL's blockchain-related products and services and consulting services in respect of the

APPENDIX C – IFA LETTER



sales and marketing of their blockchain-related products and services.

IBH as the contractor providing research and development services (“**R&D Services**”) to MPL in respect of the staking pool protocol owned by MPL using software development resources such as blockchain technology (“**MPL Software Development Project**”). The Company has also separately entered into a master agency services agreement with IBH on 28 February 2020 where the Company shall provide Blockchain Agency Services to IBH.

The Company as the agent providing Software Development Outsource Agency Services to IBH.

Value of the R&D Agreement	:	Total value payable by MPL: S\$1,000,000, of which S\$150,000 (being 15% of the total contract value) is due to the Company as agency fee (the “ IBH Agency Fee ”) and the balance S\$850,000 is payable to IBH as contractor fee (the “ IBH Contractor Fee ”).
Tenure of the R&D Agreement	:	From 28 February 2020 to 30 June 2020, or such other date as the parties may agree in writing.
Payment terms	:	MPL has paid S\$1,000,000 (the “ Service Fee ”) on 28 February 2020.

Upon the completion of the MPL Software Development Project, the Company shall be entitled to retain, out of the Service Fee, the IBH Agency Fee of S\$150,000 and make payment of the balance sum of S\$850,000 (being the IBH Contractor Fee), to IBH.

3.2 ABOUT THE BLOCKCHAIN AGENCY SERVICES

The Blockchain Agency Services is a new business which the Company intends to diversify into, subject to receipt of approval from the Company’s shareholders for the Proposed Diversification in the EGM. Further details of the Proposed Diversification and the Blockchain Agency Services can be found in Section 3 of the Circular.

The Company has appointed Mr Samuel Lay as its Head of Business Development – Singapore of the Group on 23 April 2020. Mr Samuel Lay and Mr Taku Edatsune (the Head of Finance and Administration of the Group) will drive the New Business together. The Company has also appointed Mr Hiroyuki Enomoto as an external adviser, on a gratuitous basis, to assist in the management of the New Business. Please refer to Section 3.3 of the Circular for details of the expertise and experience of Mr Samuel Lay and Mr Taku Edatsune.

Page 6 of 15

3.3 BASIS OF THE IBH AGENCY FEE

As set out in Section 6.4 of the Circular, the IBH Fee Sharing Proportion (being the 15% IBH Agency Fee to be retained by the Company) and its credit terms were mutually agreed to between the Company and IBH based on arms' length negotiations and was arrived at after taking into consideration (i) the reputation and track records of IBH and the uniqueness of IBH's services, the Company was able to procure terms more favourable for the Company, in particular, the payment of the Service Fee paid in advance instead of in arrears, notwithstanding the R&D Services and the MPL Software Development Project have yet to be completed, and (ii) IBH's continuing support for the Group's future development of the New Business.

3.4 ABOUT THE IB GROUP

The IB Group comprises IBH and its four wholly-owned subsidiaries.

As set out in Section 6.3 of the Circular, IBH is a private limited company incorporated in Singapore on 18 August 2018, with its registered address at 80 Robinson Road, #08-01, Singapore 068898. The principal activity of IBH is to provide management consultancy services in respect of blockchain technology. As at the Latest Practicable Date, IBH has a paid-up share capital of S\$140,000, comprising 140,000 shares of which 126,000 shares (representing 90% interest in IBH) and 14,000 shares (representing 10% interest in IBH) are held by Mr Hiroyuki Enomoto and Mr Yuji Akaba respectively. The directors of IBH are Mr Hiroyuki Enomoto, Mr Yuji Akaba, Mr Dinh Tran Hoang Quan and Mr Junya Yamamoto.

IBH has four wholly-owned subsidiaries, namely Infinity Blockchain Labs Co., Ltd. ("IBL") Wowtrace Singapore Pte. Ltd. ("WSPL"), Infinito Solutions Pte. Ltd. ("ISPL") and Infinity Blockchain Ventures Malaysia Sdn. Bhd. ("IBVM"). Further information of the four subsidiaries of IBH can be found in Section 7.3 of the Circular.

Mr Hiroyuki Enomoto is the sole shareholder of QRC, a controlling shareholder of the Company.

As set out in Section 6.4 of the Circular, QRC is primarily in the business of providing management consultancy services in respect of the blockchain industry.

Please refer to Sections 2.4, 2.5, 6.3 and 6.4 of the Circular for further information about the IB Group.

3.5 AGGREGATE VALUE OF INTERESTED PERSON TRANSACTIONS

Pursuant to Catalist Rule 921(4)(a), the IFA needs to opine on whether the Proposed Provision of Blockchain Agency Services and all other transactions which are the subject of aggregation pursuant to Catalist Rule 906 are on normal commercial terms, and whether the Proposed Provision of Blockchain Agency Services and all other transactions which are the subject of aggregation pursuant to Catalist Rule 906 is prejudicial to the interest of the Company and its minority shareholders.

APPENDIX C – IFA LETTER



We noted that the Company has the following transactions with QRC, being an associate of the IB Group for the period between 1 January 2020 and the Latest Practicable Date:

Name of Interested Person	Nature of the transaction	Value of the transaction
QRC	Loan of S\$500,000 from QRC to the Group	Nil as it is an interest free loan

Given that the amount at risk to the Group is zero, there is no risk to the Company arising from the above transaction. Accordingly, our opinion does not include the abovementioned transaction.

4. EVALUATION OF THE PROPOSED PROVISION OF BLOCKCHAIN AGENCY SERVICES

The following are factors which we consider to be pertinent and to have a significant bearing on our evaluation of the Proposed Provision of Blockchain Agency Services:

- (a) comparison of third parties agency fee or commission;
- (b) the rationale for the Proposed Provision of Blockchain Agency Services;
- (c) the payment terms of the R&D Agreement;
- (d) other considerations.

These factors are discussed in greater detail in the ensuing paragraphs.

4.1 COMPARISON OF THIRD PARTIES AGENCY FEE OR COMMISSION

As set out above, the Company will receive the IBH Agency Fee, being 15% of the total contract value, for the provision of Blockchain Agency Services to IBH. To determine if the IBH Agency Fee is on normal commercial terms, we have conducted searches for services similar to Blockchain Agency Services and the agency fee or commission paid or charged for the provision of such services ("**Comparable Services**"). Given that blockchain is a relatively new technology solutions, there are limited search results on agency services relating to blockchain solutions. Accordingly, we have also included agency services for customised software solutions in our analysis.

We set out the comparison as follows:

Name and brief information of company	Comparable Services	Agency fee / Commission
HubSpot, Inc. (" HubSpot ") is a company listed on the New York Stock Exchange which provides a cloud-based marketing, sales, and	HubSpot engages service providers (" Solutions Partners ") as part of its sales and marketing efforts. The roles of the Solutions Partners are:	HubSpot will share 20% of the revenue derived by the Solutions Partners.

Page 8 of 15

APPENDIX C – IFA LETTER



Name and brief information of company	Comparable Services	Agency fee / Commission
customer service software platform (“ Growth Platform ”). HubSpot sells Growth Platform on a subscription basis. It reported a revenue of US\$674.9 million for FY2019.	<ul style="list-style-type: none"> ➤ Provides consulting on business, technology, sales, marketing, or customer service strategy ➤ Provides tech implementation that handles client relationship management, systems integrations, or information technology services ➤ Provides hands-on services in marketing, sales, or customer service 	
SAS Institute Inc. (“ SAS ”). Based on internet searches, SAS develops and markets a suite of analytics software (also called SAS), which helps access, manage, analyse and report on data to aid in decision-making. SAS is the world’s largest privately held software company and its software is used by many of the Fortune 500 companies	SAS engages partner to act as the lead for substantially all of the sales process, including but not limited to: proposal submission; overall negotiations with the customer for a solution sale; joint customer-site visits; providing qualified services personnel (can be the partner’s and/or SAS’ personnel) to support activities such as training, installation, implementation, data migration and conversion, localisation and language translation related to SAS products and services; proof of concept and/or pilot projects; facilitating the sale and assists SAS by recommending or specifying SAS’ products as the preferred solution to the customer, designing SAS’ products into the customer project, arranging meetings with customer, advising on the customer’s purchasing and contract processes, providing feedback and coaching on customer reactions to SAS products, services and sales presentations, and acting as technical liaison. SAS may assist with specific tasks, including preparing a response to SAS’ portion of the request for proposal.	15% of revenue
The Company	<p>In respect of the Sales Agency Services, the Group will act as an agent for and on behalf of the blockchain companies to sell and market the products and services of the blockchain companies.</p> <p>In respect of the Software Development Outsource Agency</p>	15% of total contract value

APPENDIX C – IFA LETTER



Name and brief information of company	Comparable Services	Agency fee / Commission
	Services, the Group will act as an agent for and on behalf of the blockchain companies to sell and market the software development resources of the blockchain companies to its customers and to assist the blockchain companies in the management of the software development projects.	

As set out in the table above, the percentage of the IBH Agency Fee is on par with the percentage offered by SAS to its sales partners. The scope of services under the Proposed Provision of Blockchain Agency Services is also more similar to SAS as compared to HubSpot. While the percentage of IBH Agency Fee is lower than the percentage offered by HubSpot, we note that HubSpot requires its Solutions Partners to also provide tech implementation services which the Company does not provide.

Commission paid by SaaS (Software As A Service) companies

In our searches, we came across the results of a survey conducted in 2019, on private SaaS (Software As A Service) companies. Based on the survey, sales commission rates of SaaS companies ranged from a rate of 1% to more than 25% of sales. While there are SaaS companies which paid sales commission rate of more than 25% of sales, we note that these SaaS companies represented less than 5% of the surveyed results. The median sales commission rate paid by SaaS companies for direct sales is 10% and the median sales commission rate paid by SaaS companies for fully-loaded sales is 14%. The percentage of the IBH Agency Fee is slightly higher than median sales commission rate paid by SaaS companies for fully-loaded sales.

Note: We have not sought the consent of the survey conducting company nor did the survey conducting company provided its consent to the inclusion of such information in this IFA Letter.

4.2 THE RATIONALE FOR THE PROPOSED PROVISION OF BLOCKCHAIN AGENCY SERVICES

The rationale for the Proposed Provision of Blockchain Agency Services is set out in Section 6.4 of the Circular.

We summarised as follows:

- (a) the reputation and track records of IBH and the uniqueness of IBH's services;
- (b) the Board is optimistic that the Group will be able to tap on the business connection and network of QRC and its shareholder, Mr Hiroyuki Enomoto (as well as their respective Associates) to develop, grow and expand the New Business and to make the Group as the Asia Pacific hub to connect IB Group's technology know-how and



presence across Asia with the customers requiring blockchain technology and resolve the market needs; and

- (c) the Company was able to procure terms more favourable for the Company, in particular, the payment of the Service Fee paid in advance instead of in arrears and the Company does not need to pay the IBH Contractor Fee to IBH until after the completion of the MPL Software Development Project.

4.3 THE PAYMENT TERMS OF THE R&D AGREEMENT

As set out in the Circular, MPL has already made advanced payment of S\$1 million, being the entire value of the R&D Agreement, to the Company on 28 February 2020.

In addition, the Company has a separate agreement with IBH that it can make payment of the IBH Contractor Fee to IBH at any time up till 1 May 2021 even if the MPL Software Development Project has been completed by IBH.

We note from the Company's announcement of its full year results for the financial year ended 31 December 2019 dated 29 February that the Group's cash and bank balances amounted to only S\$73,952 as at 31 December 2019. The payment terms of the R&D Agreement are in the favour of the Company as there is no credit term granted by the Company to MPL and the Company has extended credit terms from IBH.

4.4 OTHER CONSIDERATIONS

In determining whether the Proposed Provision of Blockchain Agency Services is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders, we have also considered the following:

(a) The Company does not have any track records in the provision of Blockchain Agency Services

We note that the Company does not have any track records in providing Blockchain Agency Services when it entered into the R&D Agreement.

As disclosed in Section 3.3 of the Circular, the Company only formed the team to drive the New Business in April 2020. Please also refer to Section 3.4 of the Circular for the risk factors relating to the New Business.

(b) Absence of comparable quotes

We understand from the Company that, due to the nature of the transaction, the Company has not been able to obtain quotes from other unrelated third parties to compare the percentage of IBH Agency Fee offered by IBH under the R&D Agreement.

Given the absence of comparable quotes, we understand that the Company has assessed the costs to be incurred by the Company to set up the team to run the new business in the provision of Blockchain Agency Services and determined that it will not incur more than S\$32,500 per month (being the IBH Agency Fee of S\$150,000 divided over the course of four (4) months as the R&D Agreement is expected to be



divided over the course of four (4) months as the R&D Agreement is expected to be completed on or around 30 June 2020) to set up the team. In addition, the team can also service other agreements secured by the Group subsequently.

5. THE PROPOSED ADOPTION OF THE IPT GENERAL MANDATE

Information on the Proposed Adoption of the IPT General Mandate is set out in Section 7 of the Circular. We note that the IPT General Mandate is proposed to be adopted solely to facilitate the continual provision of Blockchain Agency Services by the Group to the IB Group.

5.1 NAMES OF INTERESTED PERSONS UNDER THE IPT GENERAL MANDATE

The names of Interested Persons under the IPT General Mandate (the “**Mandated Interested Persons**”) are set out in Section 7.3 of the Circular.

We note that a total of five (5) Mandated Interested Persons have been identified and all five (5) Mandated Interested Persons formed the IB Group.

5.2 MANDATED TRANSACTIONS

Information on the Mandated Transactions of the IPT General Mandate is set out in Section 7.3 of the Circular.

The two categories of Mandated Transactions are the two services of the Blockchain Agency Services provided by the Group, namely:

- (a) provision of Sales Agency Services; and
- (b) provision of Software Development Outsource Agency Services,

collectively, the “**Mandated Transactions**”.

For the purposes of aggregation, any interested person transactions below S\$100,000 each are to be excluded. Nevertheless, the Company will subject all Mandated Transactions under the IPT General Mandate, including those below S\$100,000, to the guidelines and review procedures of the IPT General Mandate.

5.3 RATIONALE FOR AND BENEFITS OF THE IPT GENERAL MANDATE

Information on the rationale for and benefits of the Proposed Adoption of the IPT General Mandate is set out in Section 7.2 of the Circular.

We note that the IPT General Mandate is intended to facilitate transactions of a revenue nature provided that they are transacted on normal commercial terms and will not be on terms or conditions that would be prejudicial to the interests of the Company and/or its minority Shareholders.



5.4 METHODS AND/OR REVIEW PROCEDURES FOR THE MANDATED TRANSACTIONS

The full section on the methods and/or review procedures for the Mandated Transaction are set out in Section 7.4 of the Circular.

We note that the methods and procedures include, *inter alia*, the following:

- (a) comparison of the pricing and terms of the Mandated Transactions with at least two other transactions of a similar nature with unrelated third parties. The pricing and terms of the Mandated Transactions are consistent and/or not more favourable to the Mandated Interested Persons when compared with similar type of transactions or quotations between the Group and unrelated third parties;
- (b) where it is not possible to obtain comparable prices of contemporaneous transactions of similar goods, the pricing and terms of the Mandated Transactions shall be reviewed and determined in accordance with the Group's usual business practices and policies, on margin consistent with same or similar transactions, and other factors including but not limited to publicly disclosed agency rates of similar transactions (including commission paid by SaaS companies, where available) in the last two years;
- (c) prior approval of the Audit Committee will be required for when the value of each Mandated Transaction is equal to or exceeds 5% of the Group's latest audited NTA (or market capitalisation when the Group has negative audited NTA). The Audit Committee will also review the Mandated Transactions whenever the cumulative value of the Mandated Transactions (excluding those already endorsed by the Audit Committee) exceeds 5% of the latest audited NTA (or market capitalisation, as the case may be) of the Group; and
- (d) Other monitoring and review procedures, including a register of Mandated Transactions, review of Mandated Transactions by the Audit Committee at least once every six months, review of Mandated Transactions by the internal auditors and review of the internal audit reports by the Audit Committee, and review of the Mandated Transactions by the external auditors on a sampling basis and review of external auditors report in the event the external auditors identifies any non-compliance issues from the audit samples.

5.5 ROLE OF THE AUDIT COMMITTEE IN RELATION TO THE IPT GENERAL MANDATE

We note that the Audit Committee will:

- (a) review and approve each Mandated Transaction, or cumulative Mandated Transactions, with value equal to or above 5% of the Group's latest audited NTA (or market capitalisation when the Group has negative audited NTA);
- (b) review the Mandated Transactions of the Group at least once every six months;
- (c) review the internal audit reports and external auditors' report (in the event the external auditors identifies any non-compliance issues from the audit sample); and



- (d) during these reviews, determine if the methods and procedures established under the IPT General Mandate continues to be adequate and/or commercially practicable in ensuring that the Mandated Transactions are not prejudicial to the interests of the Company and its minority Shareholders. If the Audit Committee is of the view that the established methods and procedures have become inadequate or inappropriate to ensure that the Mandated Transactions will be entered into based on terms not prejudicial to the interests of the Company and its minority Shareholders, the Audit Committee will, in consultation with the Board of Directors, take such action as it deems proper in respect of such methods and procedures, and/or modify or implement such methods and procedures as may be necessary, and direct the Company to seek a fresh general mandate from the Independent Shareholders based on new methods and procedures for transactions with the Mandated Interested Persons.

5.6 VALIDITY PERIOD OF THE IPT GENERAL MANDATE

If approved at the forthcoming EGM, the IPT General Mandate will take effect from the date of the passing of the ordinary resolution to be proposed at the EGM and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the subsequent AGM.

The Company intends to seek the approval of the Independent Shareholders for the renewal of the IPT General Mandate annually. The renewal of the IPT General Mandate shall be subject to the satisfactory review by the Audit Committee of the continued need for such mandate and the adequacy of the methods and procedures for the transactions.

6. OUR OPINION

Having regard to our terms of reference, in arriving at our opinions, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Proposed Provision of Blockchain Agency Services and the methods and procedures under the IPT General Mandate. We have carefully considered as many factors as we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

6.1 OUR OPINION ON THE PROPOSED PROVISION OF BLOCKCHAIN AGENCY SERVICES

We set out below a summary of the key factors we have taken into our consideration:

- (a) the percentage of the IBH Agency Fee is on par with the percentage offered by SAS to its sales partners;
- (b) the percentage of the IBH Agency Fee is slightly higher than median sales commission rate paid by SaaS companies for fully-loaded sales;
- (c) the rationale for and benefits to the Company, in particular, the Board is optimistic that the Group will be able to tap on the business connection and network of QRC

APPENDIX C – IFA LETTER



and its shareholder, Mr Hiroyuki Enomoto (as well as their respective Associates) to develop, grow and expand the New Business;

- (d) the payment terms of the R&D Agreement are in the favour of the Company; and
- (e) other considerations as set out in paragraph 4.4 of this IFA Letter.

Accordingly, after taking into account the above factors and the information made available to us as at the Latest Practicable Date, we are of the opinion that, the Proposed Provision of Blockchain Agency Services is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

6.2 OUR OPINION ON THE IPT GENERAL MANDATE

In arriving at our opinion in respect of the IPT General Mandate, we have considered, *inter alia*, the methods and procedures set up by the Company, the role of the Audit Committee in enforcing the IPT General Mandate, and the rationale for and benefits of the IPT General Mandate.

Having regard to the considerations set out in paragraph 5 of this IFA Letter and the information available to us as at the Latest Practicable Date, we are of the opinion that the methods and procedures for determining the terms of the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

This IFA Letter is addressed to the Non-Interested Directors for their benefit, in connection with and for the purpose of their consideration of the Proposed Provision of Blockchain Agency Services and the Proposed Adoption of the IPT General Mandate, and the recommendation made by them to the Shareholders shall remain the responsibility of the Non-Interested Directors. Neither the Company nor the Directors may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose, except for the Proposed Provision of Blockchain Agency Services and the Proposed Adoption of the IPT General Mandate, at any time and in any manner without the prior written consent of Xandar Capital in each specific case.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

APPENDIX D – TERMS OF MOONSTAKE AGENCY AGREEMENT AND BINARYSTAR AGREEMENT

Part 1: Terms of the Moonstake Agency Agreement

The Company shall provide to MPL and its group of companies Sales Agency Services in respect of MPL's blockchain-related products and services as well as Consultancy Services in respect of sales and marketing of their blockchain-related products and services for a duration of three (3) years. MPL's products include blockchain-based digital wallets for enterprise customers and software to add staking function to the existing wallets and IT systems of enterprise customers.

Under the Moonstake Agency Agreement, the Company shall issue an invoice to the customer for the total fees payable under the relevant agreement entered into with the customer and MPL and shall receive the full amount of the fees from the customer for and on behalf of MPL. In consideration for the Sales Agency Services provided by the Company, the Company shall be entitled to retain agency fees, equivalent to 15% of the total revenue earned by MPL from the sale of its products and services by the Company on behalf of MPL and make payment of the remaining 85% of the total fees to MPL ("**Moonstake Fee Sharing Proportion**"), within 14 Business Days from the date of the invoice issued by MPL to the Company.

In consideration for the Consultancy Services, MPL shall inform the Company the aggregate monthly amount of all the sales which MPL generates from the Intellectual Property Rights of MPL's products, which shall be calculated based on the invoices issued by MPL to its customers from the first day of the month up to the last day of the month, before the 15th day of the following month and upon the written agreement of MPL and the Company of the calculation of the revenue, MPL shall pay consultancy fees, equivalent to 10% of the monthly revenue earned by MPL ("**DLF Consultancy Fee Proportion**"), to the Company by the 25th day of the month.

Pursuant to the Moonstake Agency Agreement, the Company shall also be entitled to own 10% of the Intellectual Property Rights in the past and existing products of MPL as well as any future products developed by MPL. MPL shall own the remaining 90% of the Intellectual Property Rights. As at the Latest Practicable Date, the Company does not have any interest in the Intellectual Property Rights of the products of MPL.

The DLF Consultancy Fee Proportion and the payment arrangement under the Moonstake Agency Agreement with MPL for the Consultancy Services, which is different from the payment arrangement under the IBH Agency Agreement with IBH, was negotiated for at arms' length between the Company and MPL on the basis that the Company will not be providing any Software Development Outsource Agency Services to MPL and therefore, will not be involved in any client servicing or liaison services in respect of the software development projects for and on behalf of MPL. Under the Moonstake Agency Agreement, the Group does not undertake any any risk or liability in relation to the service performance of MPL or any obligation to perform the services to be provided by MPL to the customer.

Part 2: Terms of the Binarystar Agreement

Under the Binarystar Agreement, the Company procured Binarystar as a customer for and on behalf of MPL to subscribe for the research and development of staking pool protocol services provided by MPL. The scope of work and deliverables required by Binarystar from MPL pursuant to the Binarystar Agreement shall be set out in a separate agreement between MPL and Binarystar. On 18 March 2020, Binarystar has paid to the Company the sum of JPY100,000,000 (the equivalent to S\$1,310,272.54 as at the exchange rate prior to the date of this Announcement), being the advance payment for the services provided by MPL ("**Binarystar Advance Payment**"), to the Company. In consideration of the Sales Agency Services provided by the Company to MPL, the Company has retained 15% of the Binarystar Advance Payment and paid MPL the remaining 85% of the Binarystar Advance Payment on 20 March 2020, in accordance with the Moonstake Fee Sharing Proportion. The Binarystar Advance Payment is non-refundable unless the Company fails to perform its obligations under the Binarystar Agreement. As at the Latest Practicable Date, the Company has fulfilled all its obligations under the Binarystar Agreement and does not bear any risk or liability in relation to the service performance of MPL or the Company's obligations under the Binarystar Agreement.

Save for Mr Junya Yamamoto who is a director of both Binarystar and IBH, Binarystar is an independent third party unrelated to any of the directors, substantial or controlling shareholders or the respective associates (as defined in the Catalist Rules) of the Company. As at the date of this Announcement, each

**APPENDIX D – TERMS OF MOONSTAKE AGENCY AGREEMENT AND
BINARYSTAR AGREEMENT**

of Mr Yuhi Ikegami, the sole shareholder of Binarystar, and Mr Junya Yamamoto does not have any shareholding interests, direct or indirect, in the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

DLF HOLDINGS LIMITED
(Company Registration Number 201726076W)
(Incorporated in the Republic of Singapore)

All capitalised terms used in this notice of EGM which are not defined herein shall have the same meanings ascribed to them in the circular dated 4 June 2020 to the shareholders of the Company (the "Circular").

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of **DLF Holdings Limited** (the "**Company**") will be held by way of electronic means on 26 June 2020 at 2.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

Shareholders should note that the passing of Ordinary Resolutions 2 and 4 and Special Resolution 1 are contingent upon the passing of Ordinary Resolution 1. For the avoidance of doubt, this means that if the Ordinary Resolution 1 is not approved, Ordinary Resolutions 2 and 4 and Special Resolution 1 would not be tabled at the EGM.

This notice has been made available on SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://dlfholdings.sg/announcements/>. In view of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, a printed copy of this notice will NOT be despatched to members.

ORDINARY RESOLUTION 1

THE PROPOSED DIVERSIFICATION

Resolved that:

- (a) approval be and is hereby given for the diversification of the business of the Group to include:
- (i) sales agency services to blockchain companies by acting as an agent for and on behalf of the blockchain companies to sell and market the blockchain-related products and services of the blockchain companies;
 - (ii) software development outsource agency services to blockchain companies by acting as an agent for and on behalf of the blockchain companies to sell and market the software development projects of the blockchain companies and assist the blockchain companies in managing and facilitating the software development projects;
 - (iii) 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
 - (iv) commercialisation of blockchain-related products by developing the blockchain-related products, forming a strategic partnership with blockchain companies to jointly develop the blockchain-related products and/or acquiring the intellectual property rights of the blockchain-related products to sell and/or license to third-party customers,
- (collectively, the "**New Business**").
- (b) the Group be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares/interests in any entity that is in the New Business on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all acts or things as they deem desirable, necessary or expedient or give effect to any such investment, purchase, acquisition or disposal; and
- (c) the Directors or any of them be and are hereby authorised to complete and do all acts and things (including without limitation to execute all such documents and to approve any amendments,

NOTICE OF EXTRAORDINARY GENERAL MEETING

alteration or modification to any documents) as the Directors or any of them deem desirable, necessary or expedient to give effect to the matters contemplated by this resolution as they or any of them may in their absolute discretion deem fit in the interests of the Company.

ORDINARY RESOLUTION 2

THE PROPOSED INTERNAL RESTRUCTURING

Resolved that subject to and contingent upon the passing of Ordinary Resolution 1 as set out in this notice of EGM:

- (a) approval be and is hereby given for the Company to enter into a restructuring exercise with its wholly-owned subsidiary, DLF Engineering Pte. Ltd., to transfer all of its equity interests in each of ACMES-Kings Corporation Pte. Ltd., DLF Pte. Ltd. and DLF Prosper Venture Pte. Ltd. to DLF Engineering Pte. Ltd., a wholly-owned subsidiary of the Company; and
- (b) the Directors or any of them be and are hereby authorised to complete and do all acts and things (including without limitation to execute all such documents and to approve any amendments, alteration or modification to any documents) as the Directors or any of them deem desirable, necessary or expedient to give effect to the matters contemplated by this resolution as they or any of them may in their absolute discretion deem fit in the interests of the Company.

ORDINARY RESOLUTION 3

THE PROPOSED PROVISION OF BLOCKCHAIN AGENCY SERVICES TO INFINITY BLOCKCHAIN HOLDINGS PTE. LTD. PURSUANT TO THE TERMS OF THE R&D AGREEMENT AS AN INTERESTED PERSON TRANSACTION

Resolved that:

- (a) approval be and is hereby given for the Company to provide Blockchain Agency Services to Infinity Blockchain Holdings Pte. Ltd. (“**IBH**”) for the sum of S\$150,000 pursuant to the agreement for research and development of staking pool protocol entered into amongst the Company, IBH and Moonstake Pte. Ltd. (“**MPL**”) on 28 February 2020 (“**R&D Agreement**”), in accordance with the terms of the R&D Agreement; and
- (b) the Non-Interested Directors or any of them be and are hereby authorised to complete and do all acts and things (including without limitation to execute all such documents and to approve any amendments, alteration or modification to any documents) as the Directors or any of them deem desirable, necessary or expedient to give effect to the matters contemplated by this resolution as they or any of them may in their absolute discretion deem fit in the interests of the Company.

ORDINARY RESOLUTION 4

THE PROPOSED ADOPTION OF IPT GENERAL MANDATE

Resolved that subject to and contingent upon the passing of Ordinary Resolution 1 as set out in this notice of EGM:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules of the SGX-ST (“**Chapter 9**”), for the Company, its subsidiaries and associated companies that are considered to be “entities at risk” under Chapter 9, or any of them, to enter into the Mandated Transactions with the Mandated Interested Person, provided that such transactions are (i) made on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders and (ii) in accordance with the review procedures for such Mandated Transactions (the “**IPT General Mandate**”);
- (b) the IPT General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) the Non-Interested Directors of the Company and each of them be and are hereby authorised to do all acts and things (including without limitation to execute all such documents and to approve any amendments, alteration or modification to any documents) as the Non-Interested Directors or any of them deem desirable, necessary or expedient to give effect to the IPT General Mandate as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

SPECIAL RESOLUTION 1

THE PROPOSED CHANGE OF NAME

Resolved that subject to and contingent upon the passing of Ordinary Resolution 1 as set out in this notice of EGM:

- (a) approval be and is hereby given to the Company to change its name from “DLF Holdings Limited” to “OIO Holdings Limited” and that the name “DLF Holdings Limited” be substituted for “OIO Holdings Limited” wherever the latter name appears in the Company’s Constitution; and
- (b) the Directors and/or each of them be and are hereby authorised and empowered to complete and do all acts and things, enter into all transactions, arrangements and agreements, and approve, execute and deliver all documents as they or each of them deem desirable, necessary or expedient to give effect to the matters referred to in the above paragraphs of this Special Resolution 1 or the transactions contemplated by the Proposed Change of Name as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

BY ORDER OF THE BOARD

Mr. Fan Chee Seng
Executive Chairman
Singapore
Date: 4 June 2020

Notes:

- 1) The Extraordinary General Meeting (“EGM”) is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this notice of EGM (the “Notice”), proxy form and Company’s Circular to Shareholders will not be sent to members. Instead, this Notice, proxy form, Question Form and Company’s Circular to Shareholders will be made available solely by electronic means via an announcement on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and may be accessed at the Company’s website at the URL <https://dlfholdings.sg/announcements/>.
- 2) Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions before the deadline to submit the proxy form and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Company’s announcement accompanying this Notice dated 4 June 2020. This announcement may be accessed at the Company’s website at the URL <https://dlfholdings.sg/announcements/> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- 3) Due to the various control and safe distancing measures put in place in Singapore to prevent the spread of COVID19, members will not be able to attend the EGM in person. A member (whether individual or corporate) must submit his/her/its proxy form appointing the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. The accompanying proxy form for the EGM will be announced together with this Notice and may be accessed at the Company’s website at the URL <https://dlfholdings.sg/announcements/> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their SRS Operators to submit their votes at least seven working days before the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- 4) The Chairman of the EGM, as proxy, need not be a member of the Company.
- 5) The instrument appointing the Chairman of the EGM as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:
- (a) if sent personally or by post, be lodged at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898; or
 - (b) if submitted by email, be received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com,

in either case, at least 72 hours before the time appointed for the EGM.

Printed copies of this Notice and the proxy form will not be sent to members. A member who wishes to submit an instrument of proxy must first download the proxy form, then complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

- 6) A member who wishes to watch the "live" webcast or listen to the "live" audio feed must pre-register no later than 1 p.m. on 23 June 2020, at URL <http://DLFHoldings.availeasemgdwebinar.com>. Following authentication of his/her/its status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the EGM by 3:00 p.m. on 25 June 2020. Shareholders who do not receive an email by 3:00 p.m. on 25 June 2020, but who have registered by the 1 p.m. on 23 June 2020 deadline, should contact the Company via email at investor.relations@dlfholdings.sg, with the following details included: (1) the full name of the shareholder; and (2) his/her/its identification/registration number.
- 7) Members will not be able to ask questions during the live audio-visual webcast or audio-only stream of the EGM. Members who wish to ask questions relating to the resolutions to be tabled at the EGM must submit the questions for the EGM, which will be announced together with this Notice and may be accessed at the Company's website at the URL <https://dlfholdings.sg/announcements/> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- 8) All questions must be submitted no later than 5.00 p.m. on 19 June 2020 via any of the following means:
- (a) via submitting at the URL <http://DLFHoldings.availeasemgdwebinar.com> when pre-registering; and
 - (b) via the following email address at investor.relations@dlfholdings.sg, with your full name, number of shares held and manner in which you hold shares (via CDP or SRS); and
 - (c) in hard copy by sending personally or by post and lodging the same at the office of the Company's principal place of business at 140, Paya Lebar Road, #08-07, AZ @ Paya Lebar, Singapore 409015.

Printed copy of the question form will not be sent to members. A member who wishes to submit the question form can download, complete and sign the questions form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit completed questions forms by post, shareholders are strongly encouraged to submit completed questions forms electronically via email.

- 9) The Management and the Board of Directors of the Company will endeavour to address all substantial and relevant questions received from members and publish the responses to those questions on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <https://dlfholdings.sg/announcements/> before the deadline to submit the proxy forms.

Where substantial and relevant questions are submitted by members after the deadline to submit the proxy forms, the Company will publish the responses to those questions on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <https://dlfholdings.sg/announcements/> after the EGM.

Personal Data Privacy

By submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

PROXY FORM

DLF HOLDINGS LIMITED

Company Registration Number 201726076W
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. The Extraordinary General Meeting (“EGM”) is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of EGM, Proxy Form, Question Form and Company’s Circular to Shareholders will not be sent to members. This Notice of EGM, Proxy Form, Question Form and Company’s Circular to Shareholders will be made available solely by electronic means via announcement on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and may be accessed at the Company’s website at the URL <https://dlfholdings.sg/announcements/>.
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions before the deadline to submit proxy forms for the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM are set out in the Company’s announcement dated 4 June 2020 accompanying the Notice of EGM. The aforesaid announcement may be accessed at the Company’s website at the URL <https://dlfholdings.sg/announcements/>, and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. Due to the various control and safe distancing measures put in place in Singapore to prevent the spread of COVID-19, members will not be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.
4. SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their SRS Operators to submit their votes at least seven working days before the EGM.
5. By submitting an instrument appointing the Chairman of the EGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 4 June 2020.
6. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the EGM as a member’s proxy to attend, speak and vote on his/her/its behalf at the EGM.

PROXY FORM

I/We _____ (Name) NRIC/Passport No. _____

of _____ (Address)

being a member/members of **DLF Holdings Limited** (the “Company”) hereby appoint the Chairman of the EGM of the Company as *my/our *proxy to vote for *me/us on *my/our behalf at the EGM of the Company to be held by way of electronic means on 26 June 2020 at 2.00 p.m. and at any adjournment thereof in the following manner:

No.	Ordinary Resolutions	For **	Against **	Abstain **
1	To approve the Proposed Diversification			
3	To approve the Proposed Internal Restructuring			
3	To approve the Proposed Provision of Blockchain Agency Services			
4	To approve the Proposed Adoption of IPT General Mandate			
No.	Special Resolution			
5	To approve the Proposed Change of Name			

* Please delete as appropriate.

** Voting will be conducted by poll. If you wish the Chairman of the EGM as your proxy to cast all your votes “For” or “Against” a resolution, please indicate with an “X” in the “For” or “Against” box provided in respect of that resolution. Alternatively, please indicate the number of votes for or against in the “For” or “Against” box in respect of that resolution. If you wish the Chairman of the EGM as your proxy to abstain from voting on a resolution, please indicate with an “X” in the “Abstain From Voting” box provided in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the EGM as your proxy is directed to abstain from voting in the “Abstain From Voting” box in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.

Total No. of Shares	No. of Shares
---------------------	---------------

PROXY FORM

Dated this ____ day of _____ 2020.

In CDP Register	
In Register of Members	

Signature of Shareholder(s) or Common Seal of
Corporate Shareholder

All capitalised terms used in this Proxy Form which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the Company's Circular to Shareholders dated 4 June 2020 (including supplements and modifications thereto).



PROXY FORM

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, (Cap. 289), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. Due to the various control and safe distancing measures put in place in Singapore to prevent the spread of COVID-19, members will not be able to attend the EGM in person. A member (whether individual or corporate) must submit his/her/its Proxy Form appointing the Chairman of the EGM as his/her/ its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. Where a member (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid. The Proxy Form for the EGM will be announced together with the Notice of EGM and may be accessed at the Company's website at the URL <https://dlfholdings.sg/announcements/> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their SRS Operators to submit their votes at least seven working days before the EGM.
3. A Chairman of the EGM, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the EGM as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:
 - (a) if sent personally or by post, be lodged at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898; or
 - (b) if submitted by email, be received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com,in either case, at least 72 hours before the time appointed for the EGM.
5. Printed copies of this proxy form will not be sent to members. A member who wishes to submit an instrument of proxy can download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act (Cap. 50) of Singapore.
9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

PROXY FORM

Fold along this line

**Affix
Postage
Stamp
Here**

DLF HOLDINGS LIMITED
Company's Share Registrar
Tricor Barbinder Share Registration Services
80 Robinson Road
#11-02
Singapore 068898

Fold along this line