

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

RESPONSE TO THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERY

OIO Holdings Limited (the “**Company**” or “**OIO**” and together with its subsidiaries, the “**Group**”) refers to the following query from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) with reference to the Company’s announcement dated on 20 October 2021 pertaining to the Proposed Subscription of 6,565,300 new shares and wishes to respond to the query as follows:

SGX-ST Query

*We refer to the Company’s announcement dated 20 Oct 2021, in relation to the proposed placement of 6,565,300 new shares at an issue price of S\$0.527 for each placement share to 10 subscribers (the “**Proposed Placement**”).*

The net proceeds raised from the Proposed Placement will amount to approximately S\$3,449,916, which will be allocated as follows:

- *60% to finance the Group’s business expansion (about S\$2.07 million); and*
- *40% to finance the Group’s working capital and general corporate purposes (about S\$1.38 million).*

From the Company’s past fund-raising exercises (ie. convertible notes issuance in May 2021 and proposed placement in Sept 2021), the Company is left with unutilised proceeds of US\$1.08 million allocated for the Group’s working capital. Including the net proceeds raised from the Proposed Placement, the Group would have allocated a total of US\$2.46 million for its working capital requirements.

The Directors have confirmed that assuming the Proposed Subscription is not undertaken, the working capital available to the Group is sufficient to meet its present requirements with financial support by the Company’s controlling shareholder, North Venture Pte. Ltd, the balance of Notes Proceeds of and the balance of September Placement Proceeds.

Please provide more information on the Group’s working capital position and requirements and provide a further breakdown on the use of net placement proceeds to be utilised for the Group’s general working capital.

Company's response

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the Company's announcements dated 29 March 2021, 27 August 2021, 9 September 2021 and 20 October 2021 (the "**Previous Announcements**").

The Notes Proceeds

In relation to the Notes Proceeds amounting to US\$2,369,000:

- a) US\$869,000 has been fully utilised for the working capital and general corporate purposes of the Group as announced by the Company on 9 September and 20 October 2021;
- b) US\$506,554 has been utilised for the purposes of working capital including sales and marketing expenses and software development/maintenance expenses. The remaining proceeds of US\$993,446 as of 20 October 2021 will be used for the same purposes – *solely for Moonstake Pte Ltd and Moonstake Limited*, i.e. the Group's staking business.
- c) These fund utilisations are in accordance with the intended use of the Notes Proceeds as stated in the Company's announcement dated 29 March 2021.

The September Placement Proceeds and the Net Proceeds

In relation to the September Placement Proceeds amounting to US\$400,000 and the Net Proceeds from the Proposed Subscription amounting to US\$2,542,000:

- a) 40% of the total proceeds (US\$2,942,000 x 40% = US\$1,176,800) is allocated to the purposes of working capital and general corporate purposes including the repayment of the Group's liabilities. This use of the funds mainly includes the monthly corporate staff personnel costs, professional fees and other corporate expenses of OIO Holdings Limited as well as the repayment of the Group's past liabilities.
- b) 60% of the September Placement Proceeds and the Net Proceeds from the Proposed Subscription (US\$2,942,000 x 60% = US\$1,765,200) will be used for financing the Group's blockchain business expansion. This use of the funds includes the investment in OIO Singapore Pte Ltd, which is the Group's 100% subsidiary in its blockchain business segment, as well as any further growth opportunities including potential business investments and/or acquisitions as and when they arise.

The Group's working capital position and requirements

Although the balance of the September Placement Proceeds as well as the interest free loan from the Company's controlling shareholder, North Ventures Pte Ltd, which the Company announced on 7 April 2021, is sufficient for the Group to meet its present requirements – after factoring the accumulated losses from the Company's M&E engineering business segment, the Company wishes to *strengthen its balance sheet going forward* to ensure it can appropriately, *on its own steam, for the benefit of our stakeholders* – thrive and prosper when meeting future challenges cum value accretive opportunities. In addition, the latest placement exercise has allowed the Company to attract new shareholders and diversify our investor pool.

In addition, it is to be noted that based on the 2021 Share Issue Mandate, the total aggregate number of Shares and convertible securities that may be issued is 179,389,598 new shares (100% of the total number of issued Shares then), of which the aggregate number of Shares or convertible securities that may be issued other than on a pro rata basis is up to 50% (or 89,694,799 new shares then). With the latest Proposed Subscription announcement, the total amount of Shares issued under this approval from our shareholders will only be 7,460,141 (i.e. 4.159% of the total aggregate permitted, or 8.317% of the total aggregate permitted other than on a pro rate basis).

BY ORDER OF THE BOARD

Fan Chee Seng
Executive Chairman
25 October 2021

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

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