

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

**MATERIAL UNCERTAINTY RELATED TO GOING CONCERN ON THE AUDITED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board of Directors (the “**Board**”) of OIO Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s independent auditor, Foo Kon Tan LLP, has without modifying their opinion, included a Material Uncertainty Related to Going Concern section in their report (the “**Independent Auditor’s Report**”) on the audited financial statements of the Group for financial year ended 31 December 2023 (“**FY2023**”) (the “**Audited Financial Statements**”).

The Independent Auditor’s Report and the Audited Financial Statements will form part of the Company’s Annual Report for FY2023 (the “**FY2023 Annual Report**”) which is announced on the SGX-Net today. Shareholders of the Company (“**Shareholders**”) are advised to read the Audited Financial Statements which will be issued as part of FY2023 Annual Report.

Relevant extracts from the FY2023 Annual Report are as below:

Material Uncertainty Related to Going Concern

- Independent Auditor’s Report on Page 36 of FY2023 Annual Report

We draw attention to Note 2(a) to the financial statements. The Group incurred a net loss of \$1,031,859 (2022: \$12,556,273) and reported net operating cash outflows of \$3,159,286 (2022: \$5,446,219) for the financial year ended 31 December 2023. As at 31 December 2023, the Group’s and the Company’s total liabilities exceeded its total assets by \$3,705,536 and \$2,388,267 (2022: \$2,699,864 and \$2,420,908) respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s and the Company’s ability to continue as a going concern. The financial statements have been prepared on the going concern basis as a controlling shareholder of the Company has agreed to provide continuing financial support to the Group and the Company to enable the Group and the Company to meet their obligations as and when they fall due.

If the financial support from one of the shareholders is not forthcoming, and as a result the Group and the Company were unable to continue in operational existence, the Group and the Company may be unable to discharge their liabilities in the normal course of business, and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Group and the Company may need to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. No such adjustments have been made to the financial statements. Our opinion is not modified in respect of this matter.

Going Concern Assumption

- Note 2(a) of the Audited Financial Statements on Page 47 of FY2023 Annual Report

The Group incurred a net loss of \$1,031,859 (2022: \$12,556,273) and reported net operating cash outflows of \$3,159,286 (2022: \$5,446,219) for the financial year ended 31 December 2023. As at 31 December 2023, the Group's and the Company's total liabilities exceeded its total assets by \$3,705,536 and \$2,388,267 (2022: \$2,699,864 and \$2,420,908) respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

Notwithstanding the above, it was considered appropriate to prepare these financial statements on a going concern basis after considering the following:

- (a) The current liabilities include items which would not lead to the actual cash payment by the Company including the non-cash share-based compensation of \$69,000 (2022: \$47,000) (included in the trade and other payables) and agency service fee collected in advance of \$40,574 (2022: \$327,187) to be recognised to profit or loss over the remaining period of the agreement (included in contract liabilities);*
- (b) The crypto-currencies of \$1,655,792 (2022: \$1,288,338) which can be converted to fiat currencies are included in the intangible assets under the non-current assets;*
- (c) The convertible notes of \$1,964,713 (2022: \$1,996,756), which are included in the current liabilities (2022: non-current liabilities), will be converted into equity at the earlier of (i) any time of which the volume weighted average price of the shares for three consecutive trading days is at least 361.27% of the minimum conversion price of \$0.06922 per share, or (ii) on the maturity date of 29 December 2024. As such, no cash outflow is required to repay the convertible notes;*
- (d) In August 2023, the Company obtained a S\$1.1 million interest free loan from a controlling shareholder of the Company, who is also the Chief Executive Officer of the Company's wholly owned subsidiary, Moonstake Pte Ltd. This loan is repayable within 7 days after 30 November 2024, unless the Lender agrees in writing to grant the Company further extension of the credit term and to postpone the maturity date. On 29 December 2023, the controlling shareholder of the Company agreed to extend the repayment date of the interest free loan to after 30 June 2025;*
- (e) A controlling shareholder of the Company (mentioned in (d) above) has agreed to provide continuing financial support to the Group and the Company for at least twelve (12) months from the auditor's report date to enable the Group and the Company to meet their obligations as and when they fall due; and*
- (f) The Group will continue to explore suitable corporate funds raising exercise(s) to facilitate investment to support business growth, including potential acquisition of income generating assets, and liabilities repayment as and when they fall due.*

If the financial support from one of the shareholders is not forthcoming, and as a result the Group and the Company were unable to continue in operational existence, the Group and the Company may be unable to discharge their liabilities in the normal course of business, and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Group and the Company may need to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. No such adjustments have been made to the financial statements.

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

BY ORDER OF THE BOARD

Yusaka Mishima
Executive Chairman
11 April 2024

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

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