

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

PROPOSED DISPOSAL OF NON-CORE ASSET

1. INTRODUCTION

The board of directors (the “**Board**”) of OIO Holdings Limited (the “**Company**” and its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, ACMES-Kings Corporation Pte. Ltd. (“**AKCPL**”), had on 6 August 2020 entered into a sales and purchase agreement (“**SPA**”) with an unrelated third party purchaser (“**Purchaser**”) in relation to the sale of its property at 15 Jalan Saudara Ku, Singapore 457451 (“**Property**”) on the terms and subject to the conditions of the SPA (“**Proposed Disposal**”).

2. INFORMATION ON THE PROPERTY

The Property is a leasehold property with a 999-year commencing from 1 January 1965, with a remaining lease period of approximately 943 years and 5 months as at the date of this announcement. The Property has a gross floor area of approximately 88 square metres.

The legal and beneficial interest, rights, powers and benefits of the Group in relation to the Property are held by AKCPL. The Property is mortgaged to DBS Bank Ltd.

For purposes of the Proposed Disposal, the Company has commissioned Asian Appraisal Company Private Limited (“**Asian Appraisal**”), an independent valuer, to perform a valuation on the Property. Based on the latest available valuation report issued by Asian Appraisal on 22 July 2020 (“**Valuation Report**”), the fair market value of the Property as at 30 June 2020 is S\$1.28 million and the forced sales value of the Property as at 15 March 2020 is S\$1.1 million.

The property valuation for the Property had been carried out using the comparison method as the primary method of valuation, by referencing to recent transactions of similar properties in the vicinity.

3. CONSIDERATION AND TERMS OF THE SPA

The consideration for the Proposed Disposal is S\$1,250,000.00 (the “**Consideration**”), which shall be payable in the following manner:

- (a) the sum of S\$62,500.00, being a deposit equal to 5% of the Consideration (“**Deposit**”), and the sum of S\$4,375.00, being the goods and services tax imposed on the Deposit, shall be payable on the date of the SPA; and
- (b) the balance of the Consideration, being S\$1,187,500.00 (which is equivalent to 95% of the amount of the Consideration), and the sum of S\$83,125.00, being the goods and services tax imposed on the Deposit, shall be payable upon completion of the Proposed Disposal.

The Consideration was arrived at on a willing-buyer willing-seller basis after having taken into account *inter alia* the Valuation Report and the prevailing market conditions.

The Property is sold on an “as is where is” basis and with vacant possession.

Completion of the Proposed Disposal shall take place on the date falling ten (10) weeks from the date of the SPA.

4. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

For illustrative purposes only, the financial effects of the Proposed Disposal on the net tangible liabilities per share and loss per share of the Group based on the latest announced audited financial statements of the Group for the financial year ended 31 December 2019 are as follows:

Effects on net tangible liabilities

Had the Proposed Disposal been effected on 31 December 2019, the financial effect on the net tangible liabilities (“NTL”) of the Group is as follows:

	Before Proposed Disposal	After Proposed Disposal
Consolidated NTL attributable to the shareholders of the Company (S\$)	(2,914,071)	(2,828,071)
Number of issued shares (excluding treasury shares)	121,108,700	121,108,700
NTL per share (Cents)	(2.41)	(2.36)

Effects on earnings

Had the Proposed Disposal been effected on 1 January 2019, the financial impact on the effect on Company’s loss per share for the financial year ended 31 December 2019 is as follows:

	Before Proposed Disposal	After Proposed Disposal
Net loss attributable to shareholders after tax (S\$)	(3,583,218)	(3,497,218)
Weighted average number of issued shares (excluding treasury shares)	121,108,700	121,108,700
Loss per share (Cents)	(2.96)	(2.89)

Please note that the above financial figures are for illustrative purposes only and do not necessarily reflect the future results and financial performance and position of the Group after the completion of the Proposed Disposal. No representation is made as to the actual financial position and/or results of the Group after completion of the Proposed Disposal.

5. USE OF PROCEEDS

The Company intends to use the net proceeds for general working capital requirements of the Group.

6. RELATIVE FIGURES FOR THE PROPOSED DISPOSAL

The relative figures of the Proposed Disposal computed on the applicable bases set out in Rule 1006 of the Catalyst Rules are set out below:

Rule 1006	Bases	Relative Figures
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	(39.94)% ⁽¹⁾
(b)	The net profits ⁽²⁾ attributable to the assets acquired, compared with the Group's net profits.	Not applicable ⁽³⁾
(c)	The aggregate value of the consideration given, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares.	5.58% ⁽⁴⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽⁵⁾
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves.	Not applicable ⁽⁶⁾

Notes:

- (1) The net asset value of the Property and the net asset of the Group as at 31 December 2019 were approximately S\$1,164,000 and S\$(2,914,071) respectively.
- (2) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) This basis is not applicable as the Group did not derive any income from the Property.
- (4) Based on the Consideration of S\$1,250,000 and the Company's market capitalisation of approximately S\$22,405,110 which is determined by multiplying the number of Shares in issue, being 121,108,700 (excluding treasury shares), by the volume weighted average price of S\$0.185 per Share on 5 September 2019, being the last traded market day immediately preceding the signing of the SPA.
- (5) This basis is not applicable as the Proposed Disposal is not an acquisition.
- (6) This basis is not applicable as the Proposed Disposal is not a disposal of mineral, oil or gas assets.

As the relative figures computed pursuant to Rule 1006 involve negative figures due to the net asset value of the Group being negative, the Company has considered Rule 1007(1) and the applicable circumstances in Practice Note 10A of the Catalyst Rules.

Pursuant to paragraph 4.4(c) of Practice Note 10A, as the absolute relative figures computed on the basis of Rule 1006 do not exceed 50%, and the Proposed Disposal does not result in a loss on disposal, the Proposed Disposal constitutes a discloseable transaction under Chapter 10 of the Catalyst Rules.

7. RATIONALE OF THE PROPOSED DISPOSAL

The Board considers that the Proposed Disposal is in the Group's interests, as the Proposed Disposal allows the Group to realise the capital value of a non-income generating non-core asset of the Group and allows the Group's resources to be better deployed for other uses. The Proposed Disposal has, based on the Property's net book value of S\$1,164,000 as at 31 December 2019, resulted in an accounting gain of disposal of S\$86,000 and based on the Property's original purchase price of S\$990,000 as at 15 November 2010, resulted in a capital gain of disposal of S\$260,000.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or (so far as they are aware) controlling shareholders of the Company has an interest, direct or indirect, in the Proposed Disposal, other than through their respective directorships and shareholding interests, if any, in the Company.

9. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and such person.

10. INSPECTION OF DOCUMENTS

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

BY ORDER OF THE BOARD

Fan Chee Seng
Executive Chairman
6 Aug 2020

OIO Holdings Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 25 July 2018. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor in accordance with Rules 226(2)(b) and 753(2) of the SGX-ST Listing Manual Section B: Rules of Catalist.

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

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