

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 2020

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 2020 (“**FY2020**”) (the “**Audited Financial Statements**”).

The Independent Auditor’s Report and the Audited Financial Statements will form part of the Company’s Annual Report for FY2020 (the “**FY2020 Annual Report**”) which will be uploaded to the SGX-Net today. Shareholders of the Company (“**Shareholders**”) are advised to read the Audited Financial Statements which will be issued as part of FY2020 Annual Report.

Relevant extracts from the FY2020 Annual Report are as below:

Material Uncertainty Related to Going Concern

- Independent Auditor’s Report on Page 35 of FY2020 Annual Report

We draw attention to Note 2(a) to the financial statements. The Group incurred a net loss of \$909,389 (2019: \$3,678,236) and reported net operating cash outflows of \$492,603 (2019: \$1,423,971) for the financial year ended 31 December 2020. As at 31 December 2020, the Group and the Company had a deficit in equity of \$3,779,089 (2019: \$2,940,171) and \$4,379,900 (2019: \$2,784,887), and net current liabilities of \$2,419,940 (2019: \$3,790,396) and \$2,833,099 (2019: \$2,284,886), 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 and for its listing status to be maintained.

If 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 45 of FY2020 Annual Report

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

- (a) The controlling shareholder of the Company, North Ventures Pte Ltd ("**North Ventures**") (formerly known as QRC Pte Ltd), has provided a letter of financial support to ensure that the Group maintains capital and liquidity levels to enable it to at all times meet its financial obligations;
- (b) The payable to a company associated with the controlling shareholder (S\$0.85 million) arising from the fee for blockchain agency services and the loans borrowed from the controlling shareholder (S\$0.7 million) are due only after 1 May 2022;
- (c) The Group is looking at bringing more orders by proposing to acquire the entire shareholdings in Moonstake Pte Ltd and Moonstake Limited as announced on 20 January 2021 ("**Proposed Acquisition**");
- (d) The controlling shareholder of the Company, North Ventures, has entered into a loan agreement (the "**Loan Agreement**") dated 7 April 2021 with the Company pursuant to which North Ventures has agreed to grant the Company an interest-free loan of US\$2,000,000, repayable within 7 days after 1 May 2022; and
- (e) The Company's issuance of convertible notes of US\$2,400,000 to the subscribers was completed on 9 April, 2021.

BY ORDER OF THE BOARD

Fan Chee Seng
Executive Chairman
14 April 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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