

PROPOSED ISSUANCE OF CONVERTIBLE NOTES

1. INTRODUCTION

The board of directors ("**Directors**") of OIO Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**"), wishes to announce that the Company has entered into subscription agreements on 29 March 2021 (the "**Subscription Agreements**") with each of the subscribers described below (the "**Subscribers**") for the issuance by the Company to the Subscribers of 8.00% convertible notes due 2021 (the "**Notes**") up to an aggregate principal amount of US\$2,400,000 ("**Proposed Subscription**"). The Notes are expected to be issued on 31 March 2021 and mature six months thereafter on 30 September 2021 (the "**Maturity Date**"). Interest on the Notes will accrue at the rate of 8.00% per annum, and is payable, together with their principal amount, upon maturity of the Notes, unless they have been previously converted.

Subject to the Company receiving the approval in-principle for the listing of the Company's ordinary shares ("**Shares**") issuable upon conversion of the Notes (the "**Conversion Shares**"), Subscribers may convert the principal amount of their Notes at their option into Conversion Shares. In addition, the principal amount of Notes will also be automatically converted into Conversion Shares if the Company's proposed acquisition of Moonstake Pte. Ltd. and Moonstake Limited (refer to the Company's announcement dated 20 January 2021) (the "**Acquisition**") is completed before the Maturity Date. The initial conversion price is S\$0.178¹ per Conversion Share, with a fixed exchange rate of US\$1.00 = S\$1.33² applicable on conversion of the Notes (the "**Conversion Price**"). The Conversion Price is subject to adjustments specified in the terms and conditions in the Subscription Agreements. Notes that are converted will cease to bear interest and all accrued interest will also be foregone.

For the avoidance of doubt, the Acquisition will be considered by the Board independently from the Proposed Subscription, such that any decision by the Company to enter into any definitive agreements in furtherance of the Acquisition will be made separately and independently from the Proposed Subscription and the conversion of the Notes under the Subscription Agreements.

2. INFORMATION ON THE SUBSCRIBERS OF THE NOTES

The table below sets out the names of the Subscribers and the respective principal amount of Notes subscribed by them.

Name of Subscriber	Principal Amount of Notes Subscribed (US\$)	No. of Conversion Shares	Shareholding from the Conversion Shares as a percentage of the existing issued share capital of the Company (%) ³	Shareholding from the Conversion Shares as a percentage of the enlarged issued share capital of the Company (%) ⁴

¹ The Conversion Price represents a 9.64% discount to the volume weighted average price of S\$0.197 per Share for trades done for the Company's Shares on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 25 August 2020, which is the full market day for which trades were done immediately preceding the signing of the Subscription Agreements.

² Based on the monthly exchange rate for the month of February 2021 as published by the Monetary Authority of Singapore ("**MAS**") on <https://eservices.mas.gov.sg/Statistics/msb/ExchangeRates.aspx>

³ Computed based on the Company's existing issued share capital of 121,108,700.

⁴ Computed based on the Company's enlarged issued share capital, after the issue and allotment of the Conversion Shares (assuming the full conversion of the Notes at the initial Conversion Price), of 139,041,284

Financial Creative Consulting Limited	500,000	3,735,955	3.1	2.7
Invescore Japan Co., Ltd.	400,000	2,988,764	2.5	2.1
Fonege Co., Ltd.	100,000	747,191	0.6	0.5
Kosuke Ogawa	100,000	747,191	0.6	0.5
Masataka Eto	100,000	747,191	0.6	0.5
Yasuhiro Sakamoto	100,000	747,191	0.6	0.5
Akihito Kawamura	1,100,000	8,219,101	6.8	5.9
Total	2,400,000	17,932,584	14.8	12.9

The Subscribers were approached by the Company as part of the Company's continual engagement with potential capital providers and through introductions made by Mr. Hiroyuki Enomoto ("**Mr. Enomoto**"), who is the sole shareholder of North Venture Pte. Ltd. (formerly known as QRC Pte. Ltd.), the controlling shareholder of the Company, Mr Yusaka Mishima ("**Mr Mishima**"), who is a Non-Executive Director of the Company, and Mr. Mitsuru Tezuka ("**Mr. Tezuka**"), who is the sole shareholder of Moonstake Pte Ltd and Moonstake Limited (together, the "**Moonstake Group**"). Further details of the Subscribers and their rationale of investing in the Company are set out below.

Financial Creative Consulting Limited is a company incorporated in Hong Kong and is in the consulting business. The owner of the company is an acquaintance of Mr. Enomoto and Mr. Mishima.

Invescore Japan Co., Ltd. is a company incorporated in Japan and is in the consulting business relating to financial planning and investment. The director of the company is an acquaintance of Mr. Tezuka.

Fonege Co., Ltd. is a company incorporated in Japan and is in the human resource development and recruitment business. The owner of the company is an acquaintance of Mr. Enomoto and Mr. Mishima.

The remaining individual Subscribers are individual investors and residents in Japan. A brief summary of the individual Subscribers, their relationship with Mr. Enomoto, Mr Mishima and/or Mr. Tezuka, and their background are set out as below.

- (a) Kosuke Ogawa is an acquaintance of Mr. Enomoto and is in the business of design creation for apparel and interior design.
- (b) Masataka Eto is an acquaintance of Mr. Enomoto and Mr. Mishima and is in the recruiting agency business.
- (c) Yasuhiro Sakamoto is an acquaintance of Mr. Tezuka and is in the venture capital business. He is well-connected with the investors and players in Japan's blockchain industry.
- (d) Akihito Kawamura is an acquaintance of Mr. Tezuka who is involved in various IT-related businesses. He is well-connected within Japan's investing community.

Each of the Subscribers (including the individual Subscribers) is active and/or knowledgeable in blockchain and related businesses and was looking for investment opportunities in the blockchain industry and is interested in investing in the growth of the Group's blockchain business via the Proposed Subscription.

No introduction fee has been and/or will be paid by the Company in connection with the issuance of Notes and/or the issuance and allotment of the Conversion Shares. The Company had commenced discussions and agreed on terms with the Subscribers based on its funding requirements and plans for the Acquisition.

As at the date of this announcement, none of the Subscribers:

- (i) have any interests in the Company;
- (ii) are related to any of the Directors, substantial shareholders of the Company or their respective associates;
- (iii) is a restricted person under Rule 812(1) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”);
- (iv) are co-operating, pursuant to an agreement or undertaking (whether formal or informal), with any existing shareholders of the Company, to obtain or consolidate effective control of the Company through the acquisition of shares in the Company upon exercise of conversion rights under the respective Subscription Agreement;
- (v) are acting in accordance with any instruction or influence of any party in relation to the issuance of the Notes; and
- (vi) are acquiring the Notes and/or Conversion Shares for and/or on behalf of any other persons (whether as a nominee or agent or otherwise) besides itself, with a view to the resale or distribution of any part thereof and/or with an intention of selling, granting any participation in, or otherwise distributing the same in violation of law.

Save as set out above and in respect of the transactions contemplated therein, there is no past and/or current relationship (including but not limited to business relationships) between any of the Subscribers and the Directors, substantial shareholders of the Company or their respective associates.

The allotment and issuance of the Conversion Shares to the Subscribers will not result in a transfer of controlling interest in the Company.

No placement agent has been or will be appointed for the issuance of the Notes and/or the issuance and allotment of the Conversion Shares.

3. PRINCIPAL TERMS OF THE NOTES

The principal terms of the Notes are summarised as follows:

Issue Price	The aggregate principal amount of the Notes to be issued will be US\$2,400,000. The issue price of the Notes will be 100% of their principal amount.
Interest	The Notes bear interest from the issue date at the rate of 8.00% per annum, and is payable upon the Maturity Date, together with their principal amount. Upon conversion of the Notes, all accrued interest on the Notes shall be foregone and waived in full and no longer be payable by the Company.
Closing Date	31 March 2021, or such other date to be agreed between the Company and each of the Subscribers.
Maturity Date	6 months from the closing date. Assuming the closing date is on 31 March 2021, the Notes will mature on 30 September 2021
Condition Precedent	The issuance of the Notes in accordance with the Subscription Agreements will be conditional upon: (a) the issue of the Notes and the allotment and issue of the Conversion Shares and all the transactions contemplated in the Subscription Agreements not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after

	<p>the date of the Subscription Agreements by any legislative, executive or regulatory body or authority (including the MAS and the SGX-ST) in Singapore or elsewhere, which is applicable to either Party, including the Catalist Rules; and</p> <p>(b) the representations and warranties of the Company contained in the Subscription Agreements being true and accurate in all material respects as at, and as if made on, the closing date, and the Company has performed in all material respects all of its undertakings, agreements or obligations under the Subscription Agreements to be performed on or before the closing date.</p>
Status of the Notes	<p>The Notes constitute direct, unsubordinated and unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves.</p> <p>The payment obligations of the Company under the Notes shall, save for such exceptions as may be provided by applicable law, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.</p>
Title and Transfer	<p>The Notes shall be issued only in registered form. The Notes are non-transferable except with the Company's written consent.</p>
Optional Conversion	<p>(a) Subject to the Company obtaining the approval in-principle from the SGX-ST for the listing and quotation of the Conversion Shares on Catalist ("Additional Listing Approval"), each Subscriber has the right to convert all but not some of its Notes to fully-paid ordinary shares in the capital of the Company at the conversion price then in effect ("Optional Conversion Right").</p> <p>To clarify, if the Additional Listing Approval is not obtained for whatsoever reason by the Maturity Date, the Optional Conversion Right shall not arise and the Company shall redeem the Notes in accordance with the Subscription Agreements.</p> <p>(b) The Subscriber may exercise the Optional Conversion Right any time during the period beginning from and including the date notified by the Company to the Subscribers that the Additional Listing Approval has been obtained and ending on the date seven days prior to the Maturity Date.</p>
Automatic Conversion	<p>Subject to the Company obtaining the Additional Listing Approval, the Notes shall be automatically converted into fully-paid ordinary shares in the capital of the Company at the conversion price then in effect, in the event the Company's proposed acquisition of Moonstake Pte. Ltd. and Moonstake Limited are completed before the Maturity Date of the Notes.</p>
Redemption at Maturity	<p>Provided that the Notes are not converted, earlier redeemed, and / or cancelled prior to the Maturity Date, all Notes shall be redeemed by the Company on the Maturity Date at its outstanding principal amount together with unpaid accrued interest thereon and shall cease to bear interest.</p>
Conversion Price	<p>The Conversion Price will be S\$0.178 per Share, with a fixed exchange rate applicable on conversion of Notes of US\$1.00 = S\$1.33².</p> <p>The Conversion Price is subject to adjustments for, <i>inter alia</i>,</p>

	<p>consolidation, subdivision and re-classification of Shares, capitalisation of profits and reserves, certain issuance of Shares, options, rights, warrants or securities at less than 90% of the then current market price, modifications of rights of conversion and certain other dilutive events.</p> <p>No adjustment will be made to the Conversion Price for certain issuances pursuant to the Company's employee share schemes that comply with the Catalist Rules.</p> <p>No adjustment will also be made for the issue of Shares, if any, as consideration for the proposed acquisition of Moonstake Pte. Ltd. and Moonstake Limited.</p> <p>Any such adjustments shall be announced by the Company on the SGXNET in compliance with the Catalist Rules.</p>
Conversion Shares and Status	<p>The Conversion Shares will be credited as fully paid and will rank <i>pari passu</i> in all respects with other shares of the same class issued by the Company then in issue, and shall rank for all dividends and distributions paid on any date or by reference to any record date on or after the date on which the Conversion Shares are deemed to be issued to the Subscriber.</p> <p>The Conversion Shares shall be issued subject to the terms of the Constitution in force at the date of issue of the Conversion Shares.</p>
Redemption	<p>Unless previously redeemed, converted and / or cancelled the Company will redeem the Notes on the Maturity Date at their principal amount together with unpaid accrued interest.</p>
Lock-up	<p>To the extent Conversion Shares are issued to it, each Subscriber has undertaken that it will not, without the prior written consent of the Company directly or indirectly, during the period beginning on the date of issue of the Conversion Shares and ending three months thereafter, (1) offer to sell, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Conversion Shares or any securities convertible into or exercisable or exchangeable for Conversion Shares (including without limitation, Conversion Shares or such other securities in which it may be deemed to have an interest within the meaning of Section 4 of the Securities and Futures Act) (such securities, collectively, "Securities"), or (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of Securities, whether any such transaction described in (1) or (2) above is to be settled by delivery of Securities, in cash or otherwise.</p>
Material amendments	<p>Any material amendments to the terms of the Subscription Agreements and / or the Notes after the issue date which are to the advantage of the Subscribers shall be approved by the shareholders of the Company ("Shareholders") in general meeting, except where the amendment is made pursuant to the terms of the Subscription Agreements or the Notes.</p>
Governing Law	<p>Singapore law.</p>

4. RATIONALE AND USE OF PROCEEDS FROM THE NOTES

The Board believes that the Proposed Subscription will enhance the Group's balance sheet and financial strength and will put the Group in a position to expand and grow its blockchain business through methods including but not limited to the Acquisition. The Board believes that the Proposed Subscription is an efficient and beneficial method of raising funds for the aforementioned purposes.

The estimated net proceeds (after deducting estimated expenses of US\$31,000) from the issue and subscription of the Notes are approximately US\$2,369,000 ("**Net Proceeds**").

The Group intends to use 100% of the Net Proceeds in the manner and allocation as set out below.

Purpose	Amount (USD)
Working capital for Moonstake Pte Ltd and Moonstake Limited (in the event of an entry of a definitive agreement and upon completion of the Acquisition) including sales and marketing expenses and software development/maintenance expenses ⁽¹⁾	\$1,500,000
Working capital (including working capital required by the Group's newly set-up blockchain subsidiary, OIO Singapore Pte. Ltd.) and general corporate purposes (including the repayment of the Company's liabilities including recurring professional fees)	\$869,000
Total	\$2,369,000

Note:

(1) *The Company shall update shareholders re-allocation of the proceed, if any, as and when appropriate on the SGXNet.*

Pending the deployment of the Net Proceeds for the abovementioned purposes, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and / or marketable securities and / or debt instruments or used for any other purposes on a short-term basis as the Directors may in their absolute discretion deem to be in the best interest of the Group.

The Company will make periodic announcements on the use of the Net Proceeds as and when such funds are materially disbursed and provide a breakdown with specific details on the use of the Net Proceeds in its interim and full-year financial statements and the Company's annual reports. Where there is any material deviation from the stated use of proceeds, the Company shall announce the reasons for such deviation when such funds are materially disbursed.

5. DIRECTORS' OPINION

The Directors are of the opinion that (i) 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. (formerly known as QRC Pte. Ltd.), which (together with its associates) has already provided financial support of S\$1,550,000 previously; and that (ii) after taking into consideration the Net Proceeds from the issue and subscription of the Notes, the working capital available to the Group is sufficient to meet its present requirements and for the purposes of the Acquisition (which is

currently intended to be fully funded by way of the issuance of new Shares in the Company). As at the date of this announcement, the Group does not have any present bank facilities.

6. AUTHORITY TO ISSUE THE CONVERSION SHARES

The Conversion Shares will be issued pursuant to the general mandate approved by the Shareholders at the Annual General Meeting of the Company held on 26 June 2020 ("**2020 Share Issue Mandate**").

The 2020 Share Issue Mandate authorises the Directors to allot and issue new Shares and/or convertible securities of not more than 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the 2020 Share Issue Mandate (being 121,108,700 Shares), of which the aggregate number of Shares to be issued other than on a pro rata basis to existing shareholders shall not be more than 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the 2020 Share Issue Mandate (being 60,554,350 Shares).

No Shares were previously issued under the 2020 Share Issue Mandate prior to the date of the Subscription Agreements and as such, the total number of Shares that may be issued pursuant to the 2020 Share Issue Mandate is 121,108,700 Shares, of which the number of Shares to be issued other than on a pro rata basis is 60,554,350 Shares.

Assuming that each of the Notes is fully converted by the relevant Subscriber in accordance with the terms of the Subscription Agreements, there are no adjustments made in accordance with the Subscription Agreements, and the Notes are based on the Conversion Price of S\$0.178, the approximate number of Conversion Shares to be issued and allotted pursuant to the Subscription Agreements will be 17,932,584.

Accordingly, the proposed issuance and allotment of the Conversion Shares will be within the limits of the 2020 Share Issue Mandate, being 60,554,350 Shares, and consequently specific shareholder approval from Shareholders for the issuance and allotment of the Conversion Shares is not required.

7. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

The issuance of the Notes (and the issuance and allotment of the Conversion Shares) will be undertaken by way of a private placement pursuant to the exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company and / or lodged with the SGX-ST in connection therewith.

8. FINANCIAL EFFECTS OF THE NOTES

The financial effects of the issue of the Notes on the Company are prepared based on the latest available financial statements of the Company (i.e., the unaudited financial statements for the full financial year ended 31 December 2020 as announced on 1 March 2021).

The financial effects below are purely **for illustrative purposes only** and do not reflect the actual financial performance or position of the Company after the issuance and / or conversion of the Notes.

8.1. Share Capital

	Before allotment and issue of Conversion Shares	After allotment and issue of Conversion Shares⁽¹⁾
Number of Shares	121,108,700	139,041,284

Note:

(1) Based on the Conversion Price and assuming that (i) the USD:SGD exchange rate is US\$1 : S\$ 1.33²; and that (ii) there are no adjustments to the Conversion Price made in accordance with the Subscription Agreements.

As at the date of this announcement, the existing share capital of the Company is approximately S\$9,499,017 comprising 121,108,700 Shares. Upon completion of the issuance of the Notes, and the allotment and issuance of the Conversion Shares (assuming the Subscribers fully convert the Notes), the Company will have an enlarged issued share capital of approximately S\$12,691,017 comprising 139,041,284 Shares (assuming that there are no adjustments to the Conversion Price made in accordance with the Subscription Agreements).

8.2. Earnings per ordinary share ("EPS")

Assuming that the issuance and allotment of the Conversion Shares (arising from full conversion of the Notes at the Conversion Price) is completed on 1 January 2020, the effect on the Company's EPS for the financial year ended 31 December 2020 would be as follows:

	Before allotment and issue of Conversion Shares	After allotment and issue of Conversion Shares⁽¹⁾
Loss attributable to shareholders of the Company (S\$'000)	(838,918)	(880,148)
Number of ordinary shares in issue	121,108,700	139,041,284
EPS (SGD cents)	(0.69)	(0.63)

Note:

(1) Based on the Conversion Price and assuming that (i) a USD:SGD exchange rate of US\$1 : S\$ 1.33²; and that (ii) there are no adjustments to the Conversion Price made in accordance with the Subscription Agreements.

8.3. Net Tangible Assets ("NTA") per Share

Assuming that the issuance and allotment of the Conversion Shares (arising from full conversion of the Notes at the Conversion Price) is completed on 1 January 2020, the effect on the Company's NTA per Share as at 31 December 2020 would have been as follows:

	Before allotment and issue of Conversion Shares	After allotment and issue of Conversion Shares⁽¹⁾
NTA	(3,823,460)	(672,690)
Number of ordinary shares in issue	121,108,700	139,041,284
NTA per Share (SGD cents)	(3.16)	(0.48)

Note:

(1) Based on the Conversion Price and assuming that (i) a USD:SGD exchange rate of US\$1 : S\$ 1.33²; and that (ii) there are no adjustments to the Conversion Price made in accordance with the Subscription Agreements.

9. APPROVALS

The Company, through its sponsor, PrimePartners Corporate Finance Pte. Ltd, will be making an application to the SGX-ST for the listing and quotation of the Conversion Shares on Catalist. The Company will make the necessary announcements once the listing approval in respect of the Conversion Shares has been obtained.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or (so far as they are aware) substantial shareholders of the Company has any interest, direct or indirect, in the Subscription Agreements and transactions contemplated therein, other than through their respective directorships and/or shareholding interests, if any, in the Company.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Subscription Agreements, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement 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 announcement in its proper form and context.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Subscription Agreements 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.

Shareholders who wish to inspect the document at the registered office of the Company are required to send an email request to investor.relations@oio.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.

13. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares and should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Fan Chee Seng
Executive Chairman
29 March 2021

OIO Holdings Limited (previously known as DLF 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 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.

The contact person for the Sponsor is Mr. Joseph Au, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.