

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

ENTRY INTO A MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL SHAREHOLDINGS IN MOONSTAKE PTE. LTD. AND MOONSTAKE LIMITED

INTRODUCTION

The Board of Directors (“**Board**”) of OIO Holdings Limited (“**Company**”, and together with its subsidiaries, “**Group**”) wishes to announce that the Company has on 20 January 2021, entered into a Memorandum of Understanding (the “**MOU**”) with Mr. Mitsuru Tezuka (“**Vendor**”) in relation to the proposed acquisition of the entire issued and paid-up share capital in Moonstake Pte. Ltd. and Moonstake Limited (“**MS Group**”) (“**Proposed Acquisition**”). Due to commercial sensitivity, the final aggregate value of consideration vis-à-vis of MS Group would be appropriately disclosed upon entry of the Definitive Agreement (“**Definitive Agreement**”).

BRIEF TERMS ON THE MEMORANDUM OF UNDERSTANDING

The MOU is not legally binding between the Company and the Vendor, save for the respective provisions relating to among others, the exclusivity period, validity period and confidentiality obligations. The Proposed Acquisition is subject to the negotiation and execution of the Definitive Agreement. The MOU sets out the key commercial terms as agreed between the Company and the Vendor and the parties shall negotiate in good faith with the intention of executing the Definitive Agreement within 6 months from the date of signing of the MOU. This exclusivity period can be extended for another 3 months, with the written approval of both parties.

RATIONALE

As previously disclosed in the Company’s circular to shareholders dated 4 June 2020 and approved at the Company’s extraordinary general meeting held on 26 June 2020 in relation to the Group’s diversification into the new business which includes (a) sales agency services to blockchain companies in respect of their blockchain-related products and services, (b) software development outsource agency services to blockchain companies for their software development projects, (c) consultancy services to blockchain companies in respect of the strategy, sales and marketing, technology and operation of their blockchain-related products and services and (d) commercialisation of blockchain-related products (“**New Business**”).

As the Group cultivated its business relationship with the MS Group through the provision of sales agency and consulting services, the Board believes that there are mutually beneficially business synergies between the Group’s New Business and the MS Group’s existing business. With the growing interest in blockchain and digital assets, the Board is of the view that the Proposed Acquisition is financially cum strategically beneficial for the Group’s stakeholders and the Group.

INFORMATION ON MS GROUP

The MS Group was established in February 2020 and consists of Moonstake Pte. Ltd. which is incorporated Singapore and Moonstake Limited which is incorporated in the Cayman Islands. MS Group is in the business of providing staking solutions to both enterprise customers and individual customers.

Staking is a technical feature of blockchains that rely on Proof of Stake (“**PoS**”)¹ as the preferred mechanism to manage new blocks in the chain. Staking rewards holders who lock up their coins by randomly selecting holders at specific intervals to create a block. Usually, holders that stake larger amounts of coins have a higher chance of being chosen as the next block creator, while some coins choose the block creator based on criteria other than the quantity of the coins.

The MS Group provides software platform, including a user-friendly web wallet and mobile wallet, in order to provide a full range of staking functions, and to serve a larger pool of tokens for holders to stake the cryptocurrencies they hold. The current value of the digital assets staked through the MS Group platform exceeds USD\$150 million and the MS Group has been steadily growing its business size since its incorporation. MS Group also provides its software platform to enterprise customers, such as other crypto-exchanges, as one of its revenue streams.

The market cap of the PoS coins as of today exceeds \$40 billion².

DIRECTORS AND SUBSTANTIAL SHAREHOLDERS’ INTEREST

Save for their shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings in the Company.

FURTHER ANNOUNCEMENTS

The Company will make further announcements as and when appropriate and/or required, including information required under Chapter 10 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist, when the Definitive Agreement has been entered into in relation to the Proposed Acquisition.

¹ Proof of Stake produces and validates new blocks in blockchains through the process of staking, allowing new blocks to be produced without relying on specialised mining hardware. While mining requires a significant investment in hardware, under staking, holders participate in generating a block by delegating the cryptocurrencies they already hold.

² <https://cryptoslate.com/cryptos/proof-of-stake/>

TRADING CAUTION

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. In particular, Shareholders and potential investors should note that the Proposed Acquisition is subject to, *inter alia*, the execution of the Definitive Agreement and that there is no certainty or assurance that any negotiations leading into the execution of the Definitive Agreement will be successful. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

BY ORDER OF THE BOARD

Fan Chee Seng
Executive Chairman
20 January 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.

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