Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: OIO Holdings Limited

Stock code: KUX

Meeting details:
Date: 29 April 2022
Time: 2.30 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. As noted on page 5, the company has disposed of the mechanical and electrical engineering services to focus on the growing blockchain technology services segment. Despite raising US$5.34 million from a series of placement, the independent auditor had included a material uncertainty related to going concern section in their report on the audited financial statements of the group for the financial year ended 31 December 2021 (see page 38 of the annual report – Independent auditors' report - Material Uncertainty Related to Going Concern).

In particular, as at 31 December 2021, the group and the company had net current liabilities of $3,484,152 (2020: $2,419,940) and $1,379,837 (2020: $2,833,099), respectively.

On 24 March 2022, the company entered into an agreement with North Ventures Pte Ltd to extend the repayment date of the interest free loans of (i) S$400,000 and (ii) US$2,000,000 (S$2,703,400) respectively to after 15 April 2023.

(i) **Has the board reviewed the group's financial position and has it determined the optimal capital structure needed to fund its growth?**

(ii) **What are the near-term plans to strengthen its balance sheet?**

(iii) **What are the major cash outflows, if any, in the next 12-18 months? How does the board see the company's liquidity position and potential impact on working capital in the next 12-18 months?**

Q2. As shown in the operation and financial review, the focus of the group is now on blockchain agency and consulting services and staking services.

(i) **For the benefit of shareholders, can management showcase some of the successful projects from its blockchain agency and consulting services?**

(ii) Revenue from blockchain agency and consulting services was $1.35 million in FY2020 and decreased to $132,958 in FY2021. **Who are the major customers (or their profiles)? How does the group secure new projects?**

(iii) Total revenue from the group's staking services was $4.43 million in FY2021. **What is the group's competitive advantage in staking? How large is the group's base of "active" staking customers/wallets?**

(iv) **What is the level of technical expertise in the group? How secured are the group's propriety platforms, applications and software?**

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Q3. In Note 4 (page 82 – Intangible assets: Crypto assets), the group recognised an impairment loss amounting to $(869,905) in profit or loss.

As at 31 December 2021, crypto assets amounted to approximately $5.45 million (page 80).

The recoverable amount of the crypto assets is determined based on fair value at year end using the quoted price in United States dollars from a number of different sources with the primary being CoinMarketCap (www.coinmarketcap.com) at closing Coordinated Universal Time.

(i) **What specific crypto assets are being held by the group?**

(ii) **What is the level of expertise of board members, especially the independent directors, on blockchain, staking and crypto currencies?**

(iii) **What are the findings of the risk assessment of the board with regard to the group's staking services, especially on technical risk assessment?**

(iv) **Can the nominating committee help shareholders better understand if the independent directors have the appropriate skills sets, knowledge, experience, especially in blockchain, staking, Defi, digital wallets, crypto mining, regulations, cybersecurity, etc to engage in effective and constructive debate and discussions with the executive directors/management?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)

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Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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