



IMPORTANT TAX NOTICE TO US SHAREHOLDERS RELATED TO YOUR INVESTMENT
IN Osino Holdings Corp.

This information is provided for shareholders who are US taxpayers. It may not be relevant for other persons.

Osino Holdings Corp. ("**Osino Holdings**"), believes that it may be considered as a passive foreign investment company ("PFIC") for United States tax purposes for its taxable years ended December 31, 2018.

THIS NOTICE DOES NOT CONSTITUTE TAX ADVICE. AS THE US TAX RULES REGARDING PFICS ARE VERY COMPLEX, INVESTORS ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISOR REGARDING THEIR INVESTMENT IN OSINO HOLDINGS BASED ON THEIR OWN SPECIFIC FACTS AND CIRCUMSTANCES. OSINO HOLDINGS DISCLAIMS ANY RESPONSIBILITY OR LIABILITY FOR ANY RELIANCE THAT ANY PERSON MAY PLACE ON THIS NOTICE.

PFIC definition

A US taxpayer is subject to specific US tax rules if s/he owns a direct or indirect interest in a PFIC. A foreign (non-US) corporation is a PFIC if either (i) at least 75% of its gross income for the taxable year is comprised of passive income, or (ii) at least 50% of assets held by such corporation during the taxable year produce passive income, or are held for the production of passive income.

Cash is deemed to be held to produce passive income.

Once a corporation is a PFIC in respect of an investor, it remains a PFIC.

We have not determined whether Osino Holdings is a PFIC. This information is attached to allow for a protective Qualified electing fund ("QEF") election (see below).

Default PFIC taxation

The default rules divide distributions into regular and excess distributions. An excess distribution is one which exceeds 125% of the average of distributions received in the three preceding taxable years. A gain on the disposition of stock in a PFIC is also an excess distribution.

A regular distribution is subject to ordinary tax. The lower rates applying to qualified dividends and long-term capital gains do not apply.

An excess distribution is treated as though it was earned evenly over the time the shares of the PFIC have been held. Tax is imposed for each year at the highest rate applicable for that year. A foreign tax credit is allowed in respect of any foreign (Canadian) tax paid on the distribution, resulting in a tax for that year. An interest charge is then applied to the tax for each year, as though the tax were due April 15 of the following year.

Qualified electing fund ("QEF")

It is possible to avoid some of the adverse consequences described above by making a QEF election.

A US shareholder who makes a QEF election is required to annually include in his or her income his or her pro-rata share of the ordinary earnings and net capital gains of that entity, whether or not that entity distributes any amounts to its shareholders.

Making the QEF election allows an exemption from the default regime in respect of the current-year income. However, unless the election is made in the first year that the company is a PFIC to the US shareholder, it does not avoid taxation under the default regime for other excess distributions, including the gain on disposition.

In later years, to avoid the default regime entirely, the election must be made in conjunction with a deemed sale, which causes recognition of all gain to that date. Loss realized on the deemed sale are not recognized.

Mark-to-Market election (“MTM”)

A third alternative is to elect MTM treatment. This election can only be made in respect of stock which regularly trades on a market, or is redeemable in the manner of a mutual fund.

In this case, a shareholder of a PFIC includes, as ordinary income in the current year, all distributions from the PFIC, and recognizes gain as though the stock were sold at the end of the year.

If the value of the stock has declined from the beginning of the year to the end, a loss may be recognized, so long as it does not reduce the basis of the stock below the original cost.

PFIC reporting

Reporting of these items is made on Form 8621 ("Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund") on or before the due date, including extensions, for the shareholder's income tax return.

Each US shareholder must file Form 8621 even if s/he is not required to recognize income under the PFIC rules in the relevant taxable year. There are exceptions to this annual reporting requirements for certain US persons, including but not limited to, tax-exempt US shareholders and US shareholders whose total interest in PFICs is small.

The attached PFIC Annual Information Statement is being provided pursuant to the requirements of Treasury Regulation Section 1.1295-1(g)(1) and (4). This PFIC Annual Information Statement contains information to enable you, should you so choose, based on the advice of your tax advisor in light of your personal tax circumstances, to elect to treat Osino Holdings as a QEF.

We have prepared the calculations based on the information available to us and to the best of our knowledge. Osino Holdings believes that changes in financial information for its 2018 Taxable Years, if any, would not be significant and would not change the total amount of ordinary earnings and net capital gain included on the PFIC Annual Information Statement.

US Circular 230 Notice

To ensure compliance with US Circular 230, you are hereby notified that any discussion of US federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used by any taxpayer for the purpose of (i) avoiding penalties that may be imposed under the United States Internal Revenue Code; (ii) promoting, marketing or recommending (within the meaning of Circular 230) to another party any matters addressed herein; (iii) the taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.