

SMJ INTERNATIONAL HOLDINGS LTD.
(Company Registration Number 201334844E)

(A) COMPLETION OF SUBSCRIPTION OF EQUITY INTEREST IN THE CAPITAL OF BEIJING LIBRE COMMERCIAL MANAGEMENT CO. LTD

(B) UPDATE ON USE OF PROCEEDS

(A) COMPLETION OF SUBSCRIPTION OF EQUITY INTEREST IN THE CAPITAL OF BEIJING LIBRE COMMERCIAL MANAGEMENT CO. LTD

Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the Company's announcement dated 23 July 2018 (the "Earlier Announcement").

Further to the Earlier Announcement, the Board of Directors ("**Board**") of the Company wishes to announce that on 8 August 2018, the Company's indirect wholly owned subsidiary, BJZY has subscribed for 52% of the enlarged equity interest in Libre Beijing, for an aggregate consideration of RMB15.59 million (equivalent to approximately S\$3.18 million) ("**Subscription**").

The Subscription is funded by the Company using the following internal resources:

- S\$1.323 million from the IPO proceeds; and
- S\$1.859 million from disposal of SMJ Furnishing (S) Pte Ltd.

Consequent upon the completion of the Subscription, each of BJZY and Mr Zhang holds 52% and 48% of the equity interest in Libre Beijing respectively and all risks and rewards of Libre Beijing as from 1 July 2018 will be shared between BJZY and Mr Zhang in accordance to the shareholding proportion of 52:48.

(B) UPDATE ON USE OF PROCEEDS

The Company received the gross IPO proceeds of \$3.9 million. The Company had previously disclosed in the IPO Offer Document dated 20 June 2014 that its estimated use of S\$1.5 million of the IPO Proceeds was for expansion of its carpet-related business through acquisitions, joint ventures and/or strategic alliance.

In view of completion of the disposal of the Company's subsidiary, SMJ Furnishings (S) Pte Ltd, which was principally engaged in one of the Group's core business of sale and distribution of carpets and further pursuant to the Group's diversification of its core business to include property investment and management, the Company re-allocated the IPO Proceeds of S\$1.323 million from expanding its carpet-related business to expanding into property investment and related business instead as stated in the announcement dated 4 April 2018.

Arising from the completion of the Subscription, all net proceeds from IPO has been fully utilised as at the date of this announcement.

Use of IPO proceeds	Amount allocated S\$'000	Amount utilised S\$'000	Amount unused S\$'000
Business expansion through acquisitions, joint ventures and/or strategic alliances	1,500	(1,500)	-
Improving inventory management system and logistics support	340	(340)	-
Marketing and business development	250	(250)	-
General working capital	329	(329)	-
IPO expenses borne by the Company	1,501	(1,501)	-
	3,920	(3,920)	-

BY ORDER OF THE BOARD

Peng Fei
Executive Director and Chief Executive Officer

13 August 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Hong Leong Finance Limited (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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