

**MARY CHIA HOLDINGS LIMITED**  
(Company Registration No. 200907643N)  
(Incorporated in the Republic of Singapore)

**THE PROPOSED DISPOSAL OF 50% OF THE ISSUED SHARE CAPITAL OF  
SUBSIDIARIES**

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**1. INTRODUCTION**

- 1.1 The board of directors (the "**Board**" or "**Directors**") of Mary Chia Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary, **M2 Group Pte. Ltd.** (the "**Seller**") has on 1<sup>st</sup> February 2023 ("**Signing Date**"), entered into a sale and purchase agreement ("**SPA**") with **Vintage Studio Pte. Ltd.** (the "**Purchaser**") in relation to the proposed disposal of 50% of the issued share capital of each of the Target Companies (defined under Section 3.1 below) ("**Sale Shares**") by the Seller to the Purchaser (the "**Proposed Disposal**") for an aggregate consideration of S\$800,000 (the "**Consideration**").
- 1.2 The Proposed Disposal constitutes a "disclosable transaction" under Chapter 10 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**") based on the relative figures computed on the applicable bases set out in Rule 1006 of the Catalist Rules.

**2. INFORMATION ON THE PURCHASER**

*The information on the Purchaser provided below was provided to the Company by the Purchaser. In respect of such information, the Board has not conducted an independent review or verification of the accuracy and correctness of the statements and information below. The Company's responsibility is limited to the proper extraction and reproduction herein in the context that is being disclosed in this announcement.*

The Purchaser is an Exempt Private Company Limited by Shares, incorporated in Singapore. The Purchaser is in the business of hairdressing and provides reliable solutions to its customers ranging from hair treatments, scalp therapy, and offering top-notch hair and scalp care products.

As at the date of this announcement, Vincent Ang Siew Chong and Guo Hui Ng are the directors of the Purchaser. The Purchaser is an independent third party who (i) does not have any existing interest (whether direct or deemed) in the shares of the Company and (ii) is not related to any of the Company's Directors, substantial shareholders and their associates.

**3. INFORMATION ON THE TARGET COMPANIES**

- 3.1 The Target Companies are:

S/No.	Name of Target Companies	Country of Incorporation	Issued and Paid-up Share Capital	Principal Activity of Target Company	No. of Ordinary Shares Disposed
1	Hatsuga Enterprise Pte. Ltd.	Singapore	SGD1,000 comprising 1,000 ordinary shares	<ul style="list-style-type: none"> <li>Wholesale of Cosmetics and Toiletries; and</li> <li>Management Consultancy Services (General)</li> </ul>	500 ordinary shares
2	M Nature Pte. Ltd.	Singapore	SGD200,000 comprising 200,000 ordinary shares	<ul style="list-style-type: none"> <li>Hairdressing Salons/Shops (Including Barber Shops)</li> </ul>	100,000 ordinary shares
3	M Plus Hair Pte. Ltd.	Singapore	SGD100,000 comprising 100,000 ordinary	<ul style="list-style-type: none"> <li>Beauty and Other Personal Care Services N.E.C– Skin Care, Beauty and Hair Care Products; and</li> <li>Hairdressing Salons/Shops (Including Barber Shops) – Hair Salon</li> </ul>	50,000 ordinary shares
4	Monsoon Hair House Pte. Ltd.	Singapore	SGD60,000 comprising 60,000 ordinary shares	<ul style="list-style-type: none"> <li>Beauty Salons and Spas (Including Slimming, Skin Care and Hair Care Centres) – Hairdressing, Hair Styling and Hair Treatment</li> </ul>	30,000 ordinary shares

3.2 Currently, the Seller owns 80% of the issued and paid-up share capital of each of the Target Companies.

#### 4. RATIONALE FOR THE PROPOSED DISPOSAL

The Board believes that the Proposed Disposal is in the best interests of the Group as the Purchaser has vast experience and expertise as well as the industry know-how to strengthen the business of each of the Target Companies. The Board believes that the partnership with the Purchaser will improve the performance of the Target Companies, thereby benefiting the Group.

The Company intends to use the sale proceeds from the Proposed Disposal for general working capital requirements and business development of the Group.

#### 5. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

##### 5.1 The Proposed Disposal

5.1.1 Under the terms of the Proposed Disposal, the Seller has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares on the terms and subject to the conditions set out in the Sales and Purchase Agreement (“SPA”). Upon Completion, the Purchaser shall own the Sale Shares.

## **5.2 Consideration**

5.2.1 The aggregate Consideration for the Proposed Disposal payable by the Purchaser and the corresponding transfer of the Sale Shares by the Seller (as defined in Clause 1.1 of the SPA) shall take place in accordance with the following timelines:

- (a) S\$600,000.00 immediately following the execution of the SPA; and
- (b) S\$200,000.00 on or before 30 March 2023, or a date mutually agreed in writing between parties.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Seller and on a willing-buyer and willing-seller basis. No valuation was conducted with respect to the Proposed Disposal.

### 5.3 Conditions Precedent to the Proposed Disposal

5.3.1 Completion of the Proposed Disposal is conditional upon the following conditions precedent ("**Conditions Precedent**") being satisfied by the relevant Parties:

- (a) the Representations and Warranties given in Clause 6 of the SPA remaining true, accurate and not misleading at Completion as if repeated at Completion and at all times between the Signing Date and Completion;
- (b) all third party (including Governmental Authority and other official authority) approvals, consents and waivers necessary for entering into the SPA and/or the transaction hereunder having been obtained, such consents, approvals and waivers not having been amended or revoked; and
- (c) there being no statute, regulation or decision which shall prohibit, restrict or materially delay the execution, delivery or performance of the transaction under the SPA.

5.3.2 To the extent applicable, each Party shall use all reasonable endeavours to procure the expeditious fulfilment of the Conditions Precedent on or before the date on which Completion takes place (the "**Completion Date**").

### 6. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

The relative figures in relation to the Proposed Disposal computed on the applicable basis set out in Rule 1006 of the Catalist Rules and based on the figures reported for the financial period ended 30 September 2022 ("**HY2023**"), being the latest announced consolidated accounts are as follows:

Rule 1006	Catalist Rule	Relative Figure
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	28.7% <sup>(1)</sup>
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	34.4% <sup>(2)(3)</sup>
(c)	The aggregate value of the Consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	11.5% <sup>(4)</sup>
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable to the Proposed Disposal <sup>(5)</sup> .
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable to the Proposed Disposal <sup>(6)</sup> .

#### **Notes:**

- (1) The net liabilities value attributable to the Sale Shares is S\$1,796,576 and the Group's net liabilities value for HY2023 is approximately S\$6,075,000.
- (2) Under Rule 1002(3) of the Catalist Rules, "net profits" means profit or loss, including discontinued operations that have not been disposed of and before income tax and non-controlling interests.
- (3) Computed based on the net losses attributed to the Sale Shares of S\$200,424 for HY2023 and net losses of the Group of approximately S\$583,000 for HY2023.

- (4) The aggregate value of the consideration is S\$800,000. The market capitalisation of the Company is approximately S\$6,965,166 (as determined by multiplying the total number of ordinary shares in issue (“**Shares**”), being 232,172,215 Shares (excluding treasury shares) by S\$0.030, per share (being the weighted average price of the Company’s shares transacted on the market day preceding the Signing Date)).
- (5) This basis under Rule 1006(d) of the Catalist Rules is not applicable as there will be no issuance of equity securities by the Company in relation to the Proposed Disposal.
- (6) This basis under Rule 1006(e) of the Catalist Rules is not applicable as the Proposed Acquisition is not of mineral, oil or gas assets.

Under Rule 1007(1) of the Catalist Rules, if any of the relative figures computed pursuant to Rule 1006 involves a negative number, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10A. As the relative figures computed under Rule 1006(b) exceed 5% but do not exceed 75%, the Proposed Disposal constitutes a “disclosable transaction” within the meaning of Chapter 10 of the Catalist Rules.

## 7. FINANCIAL INFORMATION AND FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal on the net tangible liability (“**NTL**”) per share and losses per share (“**LPS**”) of the Company are prepared on a Pro-forma basis using the audited financial statements of the Group for the financial period ended 31 March 2022 (being the latest audited consolidated financial statements of the Group) (“**FY2022**”). These financial effects are purely for illustrative purposes only and are therefore not necessarily indicative of the Company’s actual financial position after completion.

- 7.1 Assuming that the Proposed Disposal had been completed on 31 March 2022, the Proposed Disposal would have had the following financial effects on the NTL per share of the Company for FY2022:

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
NTL attributable to equity holder of the Company (S\$)	5,959,000	4,487,971
Number of Shares	232,172,215	232,172,215
NTL per Share (S\$ cents)	2.57	1.93

Assuming that the Proposed Disposal had been completed on 31 March 2022, the Proposed Disposal would have had the following financial effects on the loss attributable to Shareholders and on the LPS of the Group for FY2022:

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Net loss attributable to equity holders of the Company (S\$)	(1,178,000)	(877,941)
Weighted average number of Shares	232,172,215	232,172,215
LPS (S\$ cents)	(0.51)	(0.38)

## 8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the date of this announcement, save for their respective shareholdings in the Company (if any), none of the Directors and their respective associates, and to the best of knowledge of the Directors, none of the controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Disposal.

## 9. DIRECTORS’ SERVICE CONTRACTS

No person is proposed to be appointed to the Board in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## 10. 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 SPA, the Proposed Disposal, the Company and its subsidiaries, 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 the announcement in its proper form and context.

**11. DOCUMENT AVAILABLE FOR INSPECTION**

A copy of the SPA is available for inspection during normal business hours at the Company's registered office at 183 Thomson Road, Goldhill Shopping Centre, Singapore 307628, for a period of three (3) months from the date of this announcement.

**12. CAUTIONARY STATEMENT**

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Wendy Ho

Chief Executive Officer  
1 February 2023

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This announcement has been reviewed by the Company's sponsor, Evolve Capital Advisory Private Limited (the "**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes 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.

The contact person for the Sponsor is Mr Jerry Chua (Tel: (65) 6241 6626), at 138 Robinson Road, Oxley Tower, #13-02, Singapore 068906.