MARY CHIA HOLDINGS LIMITED
Company Registration No. 200907634N
(Incorporated in the Republic of Singapore)
(the "**Company**")

PROPOSED ACQUISITION OF REMAINING 20% SHAREHOLDINGS IN MONSOON HAIRDRESSING GROUP OF COMPANIES

---

1. INTRODUCTION

1.1. The Board of Directors (the "**Board**") of Mary Chia Holdings Ltd. (the "**Company**") wishes to announce that the M2 Group Pte. Ltd. ("**M2**"), a wholly-owned subsidiary of the Company has on 29 May 2023, entered into a share purchase agreement (the "**Agreement**") with Mr Siew Chin Juin (the "**Seller**"), pursuant to which, M2 has acquired the remaining 20% of the issued and paid up capital of each of the Target Companies ("**Sale Shares**") in the Monsoon Hairdressing group of companies (the "**Proposed Acquisition**") for an aggregate consideration of S$50,000.00 (the "**Consideration**").

1.2. The Proposed Acquisition 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.

1.3. The Target Companies with respect to the Sale Shares are as follows:

No.	Names of Target Companies	Country of Incorporation	Issued and Paid-Up Share Capital	No. of Ordinary Shares Acquired
1.	Hatsuga Enterprise Pte. Ltd.	Singapore	SGD1,000 comprising 1,000 Ordinary Shares	200
2.	M Nature Pte. Ltd.	Singapore	SGD200,000 comprising 200,000 Ordinary Shares	40,000
3.	M Plus Hair Pte. Ltd.	Singapore	SGD100,000 comprising 100,000 Ordinary Shares	20,000
4.	Monsoon Hair House Pte. Ltd.	Singapore	SGD60,000 comprising 60,000 Ordinary Shares	12,000
5.	Starting Line Trading Pte. Ltd.	Singapore	SGD10,000 comprising 10,000 Ordinary Shares	2,000

2. INFORMATION ON THE SELLER

2.1. Mr Siew Chin Juin was the vice president of the Monsoon Hairdressing group of companies overseeing the administrative operations and providing hairdressing services to the clientele.

2.2. The Seller is an independent party and is not related to any of the Company's Directors, substantial shareholders and their associates.

3. RATIONALE FOR THE PROPOSED ACQUISITION

3.1. As per the Company's announcement dated 1 February 2023, M2 has embarked on a strategic collaborative partnership with Vintage Studio Pte Ltd ("**Vintage**"), given Vintage's vast experience and expertise as well as industry know-how to strengthen and improve the performance of the Target Companies.

3.2. Given the above-mentioned strategic collaborative partnership, the Seller has indicated that he does not wish to be involved in the partnership plans with Vintage and has decided to resign from his position in the Monsoon Hairdressing group of companies. In this connection, the Seller wants to sell his remaining stake held in the Monsoon Hairdressing group of companies, and the Company have negotiated at arm's length on the consideration based on a willing buyer and willing seller basis.

3.3. Upon completion of the Proposed Acquisition, M2 will own 50% of the issued share capital of each of the Target Companies, with Vintage owning the remaining 50% stake. This would facilitate and enable equal efforts during the discussions and execution of the strategic plans with Vintage to further strengthen the business and, in turn, improve the overall performance of the Target Companies.

4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

4.1. The Proposed Acquisition

4.1.1 Under the terms of the Proposed Acquisition, the Seller has agreed to sell, and M2 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, M2 shall own the Sale Shares.

4.2. The Consideration

4.1.2 The aggregate consideration for the Proposed Acquisition and the corresponding transfer of the Sale of Shares by the Seller (as defined in Clause 1.1 of the SPA) shall take place in accordance with the following timelines:

(a) S$25,000.00 no later than 30 June 2023 and
(b) S$25,000.00 no later than 31 July 2023.

4.1.3 The Consideration was arrived at after arm's length negotiations between M2 and the Seller on a willing-buyer and willing-seller basis. No valuation was conducted with respect to the Proposed Acquisition. The purchase consideration will be funded from the Company's internal resources.

4.3. Conditions Precedent to the Proposed Acquisition

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

(a) the Representations and Warranties given in Clause 5 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.

4.1.5 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**").

5. FINANCIAL INFORMATION AND FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

5.1. The Financial Effects of the Proposed Acquisition 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 actual financial position of the Company after completion.

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

	Before the Proposed Acquisition	**After the Proposed Acquisition**
NTL attributable to equity holders of the Company (S$)	5,959,000	6,679,000
Number of Shares	232,172,215	232,172,215
NTL per share (S$ cents)	2.57	2.88

5.3. Assuming that the Proposed Acquisition had been effected on 1 April 2021, the Proposed Acquisition would have had the following financial effects on the loss attributable to Shareholders and the LPS of the Group for FY2022:

	Before the Proposed Acquisition	**After the Proposed Acquisition**
Net loss attributable to equity holders of the Company (S$)	(1,178,000)	(1,280,000)
Weighted average number of Shares	232,172,215	232,172,215
LPS (S$ cents)	(0.51)	(0.55)

6. CHAPTER 10 OF THE CATALIST RULES

6.1. The relative figures in relation to the Proposed Acquisition 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 31 March 2023 ("**FY2023**"), being the latest announced consolidated accounts are as follows:

Rule 1006	Listing Rule	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable to the Proposed Acquisition(1).
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	17.87%(2)(3)
(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.	0.55%(4)
(d)	The number of equity securities issued by the issuer as consideration for the acquisition, compared with the number of equity securities previously in issue.	Not applicable to the Proposed Acquisition(5).
(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 Acquisition(6).

Notes:

(1) This basis under Rule 1006(a) of the Catalist Rules is not applicable as the Proposed Acquisition is not a disposal of assets.

(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 attributable to the Target Companies of S$230,314 for FY2023 and net losses of the Group of S$1,289,000 for FY2023.

(4) The aggregate value of the consideration is S$50,000. The market capitalisation of the Company is approximately S$9,054,716 (as determined by multiplying the total number of ordinary shares in issue ("**Shares**"), being 232,172,215 Shares (excluding treasury shares) by S$0.039 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 Acquisition.

(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.

6.2. 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 Proposed Acquisition 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. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

7.1. 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 Acquisition.

8. SERVICE CONTRACTS

8.1. No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. DIRECTORS' RESPONSIBILITY STATEMENT

9.1. 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 Acquisition, 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.

10. DOCUMENTS AVAILABLE FOR INSPECTION

10.1. A copy of the SPA is available for inspection during regular 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.

11. CAUTIONARY STATEMENT

11.1. Shareholders and potential investors of the Company are advised to read this announcement and the other announcements by the Company carefully. Shareholders 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
29 May 2023

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.