

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

PROPOSED DEBT CAPITALISATION

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Mary Chia Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that:

- (a) the Company’s wholly owned subsidiary, Mary Chia Beauty & Slimming Specialist Pte Ltd (“**MCBSS**”) has, on 18 December 2024, entered into a debt capitalisation agreement (the “**Controlling Shareholders Debt Capitalisation Agreement**”) with Suki Sushi Pte. Ltd. (“**SSPL**”) and Ms. Ho Yow Ping (“**HYP**”) in respect of the capitalisation of the relevant outstanding amounts (whether in its entirety or part thereof) owing by MCBSS to SSPL (the “**Suki Sushi Debt Capitalisation**”) and HYP (the “**HYP Debt Capitalisation**”) by way of procuring the allotment and issuance of such number of new shares in the Company (each a “**Share**”) to SSPL and HYP;
- (b) MCBSS has, on 18 December 2024, entered into a debt capitalisation agreement (the “**PDPL Debt Capitalisation Agreement**”) with Planhouse Deco Pte. Ltd. (“**PDPL**”) in respect of the capitalisation of certain outstanding amounts owing by MCBSS to PDPL by way of procuring the allotment and issuance of such number of new Shares to PDPL (or such person as may be nominated by PDPL) (the “**PDPL Debt Capitalisation**”); and
- (c) the Company has, on 18 December 2024, entered into a debt capitalisation agreement (the “**SJM Debt Capitalisation Agreement**”, and together with the Controlling Shareholders Debt Capitalisation Agreement and the PDPL Debt Capitalisation Agreement, the “**Debt Capitalisation Agreements**”) with Mr. Su Jun Ming (“**SJM**”) in respect of the capitalisation of certain outstanding amounts owing by the Company to SJM (the “**SJM Debt Capitalisation**”, and together with the Suki Sushi Debt Capitalisation, HYP Debt Capitalisation and the PDPL Debt Capitalisation, the “**Proposed Debt Capitalisation**”) by way of allotment and issuance of such number of new Shares to SJM.

2. THE PROPOSED DEBT CAPITALISATION

2.1 Amount to be Capitalised

The amounts owing to the relevant creditors and the amounts to be capitalised pursuant to the Proposed Debt Capitalisation are as follows:

Creditor	Description of the amount owed	Amount owed	Amount to be capitalised
Debtor – MCBSS			
SSPL	Loans extended by SSPL to MCBSS for working capital purposes	S\$241,713.77	S\$241,713.77

Creditor	Description of the amount owed	Amount owed	Amount to be capitalised
HYP	Loans extended by HYP to MCBSS for working capital purposes	S\$2,076,882.20	S\$1,400,000.00
PDPL	Amount payable for certain interior renovation works undertaken by PDPL for MCBSS	S\$148,372.11	S\$73,372.10
Debtor – Company			
SJM	Loans extended by SJM to the Company for working capital purposes	S\$330,559.00	S\$300,000.00
Total amount to be capitalised			S\$2,015,085.87

The amounts owing to the relevant creditors are unsecured and non-interest-bearing.

2.2 Conversion Price

- 2.2.1 The Shares to be issued pursuant to the Proposed Debt Capitalisation (each a “**Conversion Share**”) shall be issued at the issue price of S\$0.021 per Conversion Share (the “**Conversion Price**”). The Conversion Price of S\$0.021 represents a discount of 8.70% to the volume weighted average price (“**VWAP**”) of S\$0.023 per Share for trades done on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 17 December 2024, being the last full market day up to the time immediately prior to the signing of the respective Debt Capitalisation Agreements.
- 2.2.2 The Conversion Price was arrived at after taking into consideration, *inter alia*, the prevailing market conditions and financial performance of the Group, the recent Share price, the rationale for the Proposed Debt Capitalisation as set out in paragraph 5 below, and following arm’s length negotiations between (a) MCBSS and SSPL, (b) MCBSS and HYP, (c) MCBSS and PDPL, and (d) the Company and SJM, respectively.
- 2.2.3 No placement agent was appointed or is to be appointed for the Proposed Debt Capitalisation and for the allotment and issuance of the Conversion Shares.

2.3 Conversion Shares

Based on the Conversion Price, the number of Conversion Shares to be issued to SSPL, HYP, SJM and PDPL (or such person as may be nominated by PDPL) pursuant to the Proposed Debt Capitalisation are as follows:

Creditor	Amount to be capitalised	Number of Conversion Shares
SSPL	S\$241,713.77	11,510,179
HYP	S\$1,400,000.00	66,666,666
SJM	S\$300,000.00	14,285,714
PDPL	S\$73,372.10	3,493,909
Total	S\$2,015,085.87	95,956,468

The Conversion Shares represent approximately 41.33% of the existing share capital of the Company of 232,172,215 Shares. Assuming that the Proposed Debt Capitalisation is undertaken and completed, following the issuance of the aggregate of 95,956,468 Conversion

Shares, such Conversion Shares will represent approximately 29.24% of the enlarged share capital of the Company comprising 328,128,683 Shares.

2.4 Ranking

The Conversion Shares shall, when allotted and issued, be credited as fully paid up free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and shall carry all rights similar with all other then-existing Shares, save that such Conversion Shares shall not be entitled to any dividends, rights, allotments or other distributions, the record date of which is before the allotment and issue of such Conversion Shares. For the purposes of this announcement, “**record date**” means the date fixed by the Company for the purposes of determining the entitlements to dividends, rights, allotments or other distributions of holders of its securities.

2.5 Conditions Precedent

2.5.1 The allotment and issuance of the relevant Conversion Shares to each of the creditors under the respective Debt Capitalisation Agreement shall each be subject to the fulfilment of the following conditions precedent:

- (a) the Company having received, at an extraordinary general meeting of the Company (the “**EGM**”) to be convened, all relevant approval from its shareholders (the “**Shareholders**”) as required under its constitution, Section B of the Listing Manual: Rules of Catalist (the “**Catalist Rules**”) of the SGX-ST and any other applicable laws for the allotment and issuance of the relevant Conversion Shares to such creditor, and such approvals remaining in full force and effect and not being revoked or amended, and where any such approval is subject to any conditions, such conditions being acceptable to the Company (and MCBSS, where applicable) and the relevant creditor, and, to the extent that any such conditions are required to be fulfilled on or before the date of issuance of such Conversion Shares, they are so fulfilled;
- (b) the Company having received from the SGX-ST the approval in-principle for the listing and quotation of the Conversion Shares to be issued to such creditor on the Catalist Board of the SGX-ST (the “**Listing Approval**”), such Listing Approval remaining in full force and effect and not having been revoked or amended, and where such Listing Approval is subject to any condition(s), such condition(s) being acceptable to the Company, and (if applicable) where any condition(s) attached to the Listing Approval is required to be fulfilled on or before the date of issuance of such Conversion Shares, such condition(s) having been fulfilled on or before that date to the satisfaction of the SGX-ST unless waived by the SGX-ST;
- (c) the allotment and issuance of the relevant Conversion Shares to such creditor and the transactions contemplated in the respective Debt Capitalisation Agreement not being prohibited by any applicable laws; and
- (d) the representations and warranties of such creditor made pursuant to the respective Debt Capitalisation Agreement remaining true, complete and accurate,

(collectively, the “**Conditions**” and each a “**Condition**”).

- 2.5.2 For the avoidance of doubt, completion of the capitalisation of such amount owing to a creditor (and the allotment and issue of the relevant Conversion Shares to such creditor) is not conditional on the capitalisation of the amounts owing to the other creditors (or any of them) being completed.
- 2.5.3 The Company (or MCBSS, as the case may be) and a creditor may mutually agree in writing to waive compliance with any of the Conditions to effect completion of the allotment and issue of the relevant Conversion Shares to such creditor to the extent that such waiver is not in breach of (or will not result in a breach of) any applicable laws.
- 2.5.4 If any of the Conditions are not satisfied (or, as the case may be, waived in accordance with the terms of the respective Debt Capitalisation Agreement) within three (3) months from the date of the respective Debt Capitalisation Agreement or such other date as may be mutually agreed between the relevant parties, all the provisions of the relevant Debt Capitalisation Agreement (except for the provisions therein which are expressed or implied to survive, or from which nature or context it is contemplated that they are to survive, termination of the Debt Capitalisation Agreement) shall lapse and cease to have any effect, and neither the Company (or MCBSS, as the case may be) nor the relevant creditor shall have any claim against the other under relevant Debt Capitalisation Agreement, save for any antecedent breach under such Debt Capitalisation Agreement.

2.6 Completion

Completion of the allotment and issuance of the relevant Conversion Shares to a creditor shall take place within five (5) business days of the date of the notice issued by the Company (or MCBSS, as the case may be) to such creditor confirming that the last Condition has been fulfilled or waived, as the case may be.

3. INFORMATION ON THE CREDITORS

3.1 SSPL and HYP

SSPL is an exempt private company incorporated in Singapore. As at the date of this announcement, the shareholders of SSPL are Mr. Lee Boon Leng (“**LBL**”) and HYP, holding approximately 78.55% and 21.45% of the entire issued share capital of SSPL, respectively. LBL is also the sole director of SSPL as at the date of this announcement.

HYP is currently the Company's Executive Chairman and Chief Executive Officer. SSPL, HYP and LBL are also controlling Shareholders of the Company. As at the date of this announcement, the shareholding interests of SSPL, HYP and LBL in the Company are set out in the table below.

Creditor	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
SSPL	110,466,839	47.58	-	-	110,466,839	47.58
HYP ⁽²⁾⁽³⁾	42,433,333	18.28	112,093,506	48.28	154,526,839	66.56
LBL ⁽⁴⁾	1,626,667	0.70	110,466,839	47.58	112,093,506	48.28

Notes:

- (1) Based on the Company's entire issued and paid-up share capital of 232,172,215 Shares (excluding treasury shares) as at the date of this announcement.

- (2) HYP holds approximately 21.45% of the total issued shares in SSPL. By virtue of the relevant provisions in Section 4 of the Securities and Futures Act 2001 of Singapore (“SFA”), HYP is treated as having an interest in the Shares held by SSPL.
- (3) HYP is the Executive Chairman and Chief Executive Officer of the Company. By virtue of Section 133(4) of the SFA, HYP is deemed to have an interest in the 1,626,667 Shares held by her spouse, LBL.
- (4) LBL holds approximately 78.55% of the total issued shares in SSPL. By virtue of the relevant provisions in Section 4 of the SFA, LBL is treated as having an interest in the 110,466,839 Shares held by SSPL.

3.2 SJM

SJM is currently the Company’s Executive Director and Group Chief Financial Officer. As at the date of this announcement, as far as the Company is aware, SJM does not have any interest, direct or indirect, in any Shares.

3.3 PDPL

PDPL is a company incorporated under the laws of the Republic of Singapore in the building construction and renovation business. As at the date of this announcement, the sole shareholder of PDPL is Mr. Tan Chin Chuan, and the directors of PDPL are Mr. Tan Chin Chuan and Ms. Sim Wai Fong. As at the date of this announcement, as far as the Company is aware, PDPL, its sole shareholder and its directors do not have any interest, direct or indirect, in any Shares.

4. ADDITIONAL LISTING APPLICATION(S)

The Company, through its Sponsor, will make an application to the SGX-ST for the listing and quotation of the Conversion Shares on the Catalist Board of the SGX-ST. The Company will make the relevant announcement(s) to notify the Shareholders upon receipt of the listing and quotation notice from the SGX-ST.

5. RATIONALE

Based on the latest audited financial statements of the Group for the financial year ended 31 March 2024 (“FY2024”) and the latest unaudited financial statements of the Group for the half year ended 30 September 2024 (“HY2025”), the Group recorded the following:

- (a) loss after tax amounting to approximately S\$5.6 million for FY2024, net current liability position of approximately S\$10.2 million and net liability position of approximately S\$10.9 million as at 31 March 2024; and
- (b) profit after tax amounting to approximately S\$0.7 million for HY2025, net current liability position of approximately S\$10.3 million and net liability position of approximately S\$11.2 million as at 30 September 2024.

In light of the Group’s financial performance and the uncertainties arising from the global economic situation, compounded by ongoing geopolitical tensions that may adversely affect the Group’s operations and performance, the Board has decided to undertake the Proposed Debt Capitalisation to strengthen its capital base. The Proposed Debt Capitalisation is considered to be in the best interests of the Group and is intended to achieve the following objectives:

- (a) reduce its current liabilities and settle the outstanding amounts (or part thereof) owed by (i) MCBSS to SSPL, HYP and PDPL, and (ii) the Company to SJM as at the date of the respective Debt Capitalisation Agreement;
- (b) eliminate one of the competing needs for working capital and reduce the Company's net tangible liabilities ("NTL") value and loss per share ("LPS");
- (c) eliminate the need for any cash repayment or payment in view of the current financial and cash position of the Group; and
- (d) allow the Group to focus its resources on stabilising its business activities and improving its financial position.

The Board is of the opinion that the successful completion of the Proposed Debt Capitalisation will enable the Group to allocate more of its cash flow to ongoing business activities and potential growth opportunities rather than being constrained by debt servicing obligations. In addition, the Proposed Debt Capitalisation reflects the creditors' confidence in the Group's future plans, viability, and anticipated performance.

6. SHAREHOLDERS' APPROVAL REQUIRED FOR THE PROPOSED DEBT CAPITALISATION AND ALLOTMENT AND ISSUANCE OF CONVERSION SHARES

6.1 Rule 805(1) of the Catalist Rules – Specific Mandate

Section 161 of the Companies Act 1967 of Singapore and Rule 805(1) of the Catalist Rules provide, *inter alia*, that an issuer must obtain the prior approval of shareholders in a general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer unless such issue of shares or convertible securities or such grant of options carrying rights to subscribe for shares of the issuer is made pursuant to a general mandate previously obtained from shareholders of the issuer at a general meeting as provided in Rule 806 of the Catalist Rules.

The Company will not be relying on the general mandate previously obtained from Shareholders at the latest annual general meeting of the Company held on 29 July 2024 for the allotment and issue of the Conversion Shares to the creditors. The allotment and issue of the Conversion Shares to the creditors will be made pursuant to a specific mandate, and as such, the Company will be seeking specific Shareholder's approval for the allotment and issue of the Conversion Shares to the creditors in accordance with Rule 805(1) of the Catalist Rules.

6.2 Rule 804 and Rule 812 of the Catalist Rules – Issuance of Shares to Restricted Persons

Pursuant to Rule 804 of the Catalist Rules, except in the case of an issue made on a *pro rata* basis to shareholders or under a scheme referred to in Part VIII of Chapter 8 of the Catalist Rules, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment. Such directors and their associates must abstain from exercising any voting rights on the matter.

In addition, Rule 812 of the Catalist Rules further provides, *inter alia*, that an issue must not be placed to an issuer's directors and substantial shareholders unless specific shareholder approval for such a placement has been obtained and the director or substantial shareholder and their respective associates abstain from voting on the resolution approving the placement.

HYP is the Company's Executive Chairman and Chief Executive Officer. The shareholders of SSPL are HYP and LBL, the spouse of HYP. SSPL is therefore an associate of HYP under the definition set out in the Catalist Rules. SSPL and HYP are also controlling Shareholders of the Company, each holding interests in more than 15% of the issued share capital of the Company as at the date of this announcement. SJM is the Company's Executive Director and Group Chief Financial Officer.

Accordingly, pursuant to Rule 804 and Rule 812 of the Catalist Rules, the Company will be seeking Shareholders' approval for the allotment and issue of the relevant Conversion Shares to SSPL, HYP and SJM at the EGM.

Pursuant to Rule 804 and Rule 812(2) of the Catalist Rules: (a) SSPL and HYP shall abstain, and will procure that their respective associates abstain, from voting on the resolutions relating to the Suki Sushi Debt Capitalisation and the HYP Debt Capitalisation; and (b) SJM shall abstain, and will procure that his associates abstain, from voting on the resolution relating to the SJM Debt Capitalisation.

7. INTERESTED PERSON TRANSACTION UNDER CHAPTER 9 OF THE CATALIST RULES

7.1 Interested Persons

HYP is the Company's Executive Chairman and Chief Executive Officer. SJM is the Company's Executive Director and Group Chief Financial Officer. SSPL and HYP are also controlling Shareholders of the Company.

SSPL and HYP are interested persons within the meaning of Chapter 9 of the Catalist Rules vis-a-vis MCBSS, which is regarded as an "entity at risk" pursuant to Chapter 9 of the Catalist Rules. SJM is an interested person within the meaning of Chapter 9 of the Catalist Rules vis-a-vis the Company, which is regarded as an "entity at risk" pursuant to Chapter 9 of the Catalist Rules

Accordingly, each of the Suki Sushi Debt Capitalisation, HYP Debt Capitalisation and SJM Debt Capitalisation constitutes an interested person transaction ("IPT") under Chapter 9 of the Catalist Rules.

7.2 NTL of the Group

Based on the Group's latest audited consolidated financial statements for FY2024:

- (a) the latest audited consolidated NTL of the Group was approximately S\$10.9 million; and
- (b) the latest audited consolidated NTL of the Group attributable to Shareholders was approximately \$12.0 million.

Pursuant to Rule 905(4) and Rule 906(3) of the Catalist Rules, the Company had, through its Sponsor, submitted an application to consult the SGX-ST on the appropriate benchmark to calculate the relevant thresholds in Rule 905(1), Rule 905(2) and Rule 906(1) of the Catalist Rules. The SGX-ST had informed the Company that it has no objections to the use of the market capitalisation of the Company as the basis for computing the materiality thresholds under Rules 905 and 906 of the Catalist Rules.

7.3 Value of IPT

- 2.6.1 As SSPL is an associate of HYP, SSPL and HYP are treated as the same interested person for the purposes of aggregation in determining whether the relevant financial threshold under Rule 905(2) and Rule 906(1)(b) of the Catalist Rules have been exceeded. The aggregate value at risk for the Suki Sushi Debt Capitalisation and HYP Debt Capitalisation is S\$1,641,713.77, being the total amount owed to SSPL and HYP which was agreed to be capitalised. The Suki Sushi Debt Capitalisation and HYP Debt Capitalisation represent approximately 30.74% of the market capitalisation of the Company of approximately S\$5,339,960.95. The market capitalisation is derived by multiplying the issued share capital of the Company of 232,172,215 Shares as at the date of this announcement by the VWAP of S\$0.023 per Share on 17 December 2024, being the last full market day up to the time immediately prior to the signing of the respective Debt Capitalisation Agreements.

Accordingly, as the aggregate value of the Suki Sushi Debt Capitalisation and HYP Debt Capitalisation represents more than 5% of the market capitalisation of the Company, in accordance with Chapter 9 of the Catalist Rules, approval of the Shareholders will be required for the Suki Sushi Debt Capitalisation and HYP Debt Capitalisation.

The value at risk for the SJM Debt Capitalisation is S\$300,000.00, being the total amount owed to SJM which was agreed to be capitalised. The SJM Debt Capitalisation represents approximately 5.62% of the market capitalisation of the Company of approximately S\$5,339,960.95. Accordingly, as the value of the SJM Debt Capitalisation represents more than 5% of the market capitalisation of the Company, in accordance with Chapter 9 of the Catalist Rules, approval of the Shareholders will be required for the SJM Debt Capitalisation.

7.4 Total Value of IPTs

As at the date of this announcement and since the commencement of the current financial year on 1 April 2024, save for the Suki Sushi Debt Capitalisation, HYP Debt Capitalisation, and SJM Debt Capitalisation, the Group has not entered into any interested person transactions with the creditors or any of them (as interested persons).

Accordingly, the aggregate value of all interested person transactions entered into by the Group for the current financial year up to the date of this announcement (excluding transactions below S\$100,000, as well as the Suki Sushi Debt Capitalisation, HYP Debt Capitalisation, and SJM Debt Capitalisation) is zero.

7.5 Abstention from voting

Rule 919 of the Catalist Rules states that interested persons shall abstain and undertake that their associates shall abstain from voting on the resolution approving interested person transactions involving them and the Group. Such interested persons and their associates also shall not act as proxies in relation to such resolutions unless specific voting instructions have been given by the relevant Shareholder.

Accordingly: (a) SSPL and HYP shall abstain, and undertake that their respective associates shall abstain, from voting in respect of each of their shareholdings in the Company on the resolutions approving the Suki Sushi Debt Capitalisation and the HYP Debt Capitalisation; and (b) SJM shall abstain, and undertake that his associates shall abstain, from voting in respect of each of their shareholdings in the Company on the resolution approving the SJM Debt Capitalisation.

In addition, SSPL, HYP, SJM and their respective associates shall decline appointment(s) as proxy(ies) to vote at the forthcoming EGM for other Shareholders in respect of the resolutions approving the Suki Sushi Debt Capitalisation, HYP Debt Capitalisation or the SJM Debt Capitalisation, as the case may be, unless the Shareholders concerned have given specific instructions as to the manner in which his/her/its votes are to be cast at the EGM.

8. FINANCIAL EFFECTS OF THE PROPOSED DEBT CAPITALISATION AND ISSUANCE AND ALLOTMENT OF CONVERSION SHARES

8.1 Bases and Assumptions

The financial effects of the Proposed Debt Capitalisation on the share capital, LPS and NTL per Share of the Group have been prepared based on the audited consolidated financial statements of the Group for FY2024. The *pro forma* financial effects of the Proposed Debt Capitalisation are for illustration purposes only and do not necessarily reflect the actual future results and financial position of the Group following the completion of the Proposed Debt Capitalisation with all 95,956,468 Conversion Shares issued ("**Completion**").

For illustration purposes only, the financial effects of the Proposed Debt Capitalisation have been computed based on the following assumptions:

- (a) the financial effects on the Group's NTL attributable to the Shareholders and the NTL per Share have been computed assuming that Completion took place on 31 March 2024, being the end of the most recently completed financial year;
- (b) the financial effects on the Group's loss attributable to the Shareholders and LPS have been computed assuming that Completion took place on 1 April 2023, being the beginning of the most recently completed financial year;
- (c) the expenses in connection with the Proposed Debt Capitalisation have been disregarded; and
- (d) the existing number of issued and paid-up share capital of the Company comprises 232,172,215 Shares.

8.2 Share Capital

	No. of Shares	(\$'000)
Issued and paid-up share capital	232,172,215	11,944,209
Add:-		
Conversion Shares to be allotted and issued	95,956,468	2,015,086
Enlarged share capital after Completion	328,128,683	13,959,295

8.3 Net Tangible Asset ("NTA")/(NTL) per Share

	Before Proposed Debt Capitalisation	After Proposed Debt Capitalisation
NTA/(NTL) ⁽¹⁾ attributable to Shareholders (S\$)	(11,997,000)	(9,981,914)
Number of Shares	232,172,215	328,128,683

	Before Proposed Debt Capitalisation	After Proposed Debt Capitalisation
NTA/(NTL) per Share attributable to Shareholders (Singapore cents)	(5.17)	(3.04)

Notes:-

(1) NTA/(NTL) is computed based on total assets less total liabilities and intangible assets.

8.4 LPS

	Before Proposed Debt Capitalisation	After Proposed Debt Capitalisation
Net loss after tax attributable to Shareholders (S\$)	5,542,000	5,542,000
Weighted average number of Shares	232,172,215	328,128,683
LPS (Singapore cents)	2.39	1.69

8.5 Gearing

	Before Proposed Debt Capitalisation	After Proposed Debt Capitalisation
Total borrowings (S\$) ⁽¹⁾	3,374,000	1,358,914
Net borrowings (S\$) ⁽²⁾	3,256,000	1,240,914
Total Equity	(10,933,000)	(8,917,914)
Gearing ratio ⁽³⁾ (times)	NM ⁽⁵⁾	NM ⁽⁵⁾
Net gearing ratio ⁽⁴⁾ (times)	NM ⁽⁵⁾	NM ⁽⁵⁾

Notes:-

- (1) As at 31 March 2024, the total borrowings of the Company are a summation of borrowing from financial institutions and loans from creditors.
- (2) Net borrowings are total borrowings less cash and cash equivalents as at 31 March 2024.
- (3) Gearing ratio is computed using total borrowings divided by total equity.
- (4) Net gearing ratio is computed using net borrowings divided by total equity.
- (5) Not meaningful as the Group has a deficit in shareholder's equity as at 31 March 2024.

9. AUDIT COMMITTEE STATEMENT

Pursuant to Rule 921(4)(b) of the Catalist Rules, the Company is not required to appoint an independent financial adviser (the "IFA") to opine on whether the Suki Sushi Debt Capitalisation, HYP Debt Capitalisation and the SJM Debt Capitalisation are on normal commercial terms and prejudicial to the interests of the Company and its minority Shareholders for the transactions referred to in Rule 921(4)(b)(i) and Rule 921(4)(b)(ii) of the Catalist Rules. Instead, an opinion from the audit committee in the form required in Rule 917(4)(a) of the Catalist Rules must be disclosed.

As the Suki Sushi Debt Capitalisation, HYP Debt Capitalisation and the SJM Debt Capitalisation fall within the transaction referred to in Rule 921(4)(b)(i) of the Catalist Rules, the Company will not be appointing an IFA. As at the date of this announcement, the audit committee of the Company (the "Audit Committee") comprises Mr. Chay Yiowmin and Mr. Foo Say Tun, all of whom do not have any interest in the Suki Sushi Debt Capitalisation, HYP Debt Capitalisation or the SJM Debt Capitalisation and are accordingly deemed to be independent for the purposes of the Suki Sushi Debt Capitalisation, HYP Debt Capitalisation and the SJM Debt Capitalisation.

In accordance with Rule 917(4)(a) of the Catalist Rules, having considered the respective terms of the Suki Sushi Debt Capitalisation, HYP Debt Capitalisation and the SJM Debt Capitalisation, the proposed issue and allotment of the Conversion Shares, the Conversion Price, the rationale for the Proposed Debt Capitalisation and the financial effects of the proposed issue and allotment of the Conversion Shares, the Audit Committee is of the opinion that each of the Suki Sushi Debt Capitalisation, HYP Debt Capitalisation and the SJM Debt Capitalisation:

- (a) is on normal commercial terms; and
- (b) is not prejudicial to the interests of the Company and its minority Shareholders.

10. OBLIGATION TO MAKE A MANDATORY OFFER UNDER RULE 14 OF THE CODE

Pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”), except with the consent of the Securities Industry Council (the “**Council**”), where:

- (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights and such person, or any person acting in concert with him, acquires in any period of 6 months additional shares carrying more than 1.0% of the voting rights,

such person must extend offers immediately to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares (the “**Mandatory Offer**”). In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend a Mandatory Offer.

Pursuant to the Code, SSPL, HYP, LBL and Madam Chia Ah Tow (“**CAT**”) are presumed to be persons acting in concert with each other (the “**Family Concert Party Group**”). As at the date of this announcement, the Family Concert Party Group collectively hold 168,646,839 Shares, representing approximately 72.64% of the existing issued and paid-up share capital of the Company.

Pursuant to Note 5 on Rule 14.1 of the Code, when a group acting in concert holds over 50% of the voting rights of a company, no obligation normally arises from acquisitions by any member of the group. However, the Council may regard as giving rise to an obligation to make an offer any acquisition by a single member or sub-group of the group of voting rights sufficient to increase his/its holding to 30% or more or, if he/it already holds between 30% and 50%, by more than 1% in any 6-month period.

In this regard, the Company has consulted the Council, and the Council has, on 6 December 2024, confirmed that the issuance of the Conversion Shares to HYP and/or SSPL pursuant to the Proposed Debt Capitalisation will not give rise to an obligation on HYP and/or SSPL to make an offer under Rule 14.1 of the Code.

11. CONFIRMATION BY DIRECTORS

The Proposed Debt Capitalisation will not generate any new cash proceeds for the Company. The Directors are of the opinion that, after taking into consideration the Group's existing loan commitment facilities, internal resources, operating cash flow, and the continued financial support from SSPL, the working capital available to the Group is sufficient to meet its current operational requirements.

12. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The shareholding interests of the Directors, substantial Shareholders of the Company and the creditors, as a percentage of the share capital of the Company as at the date of this announcement, and as a percentage of the enlarged share capital of the Company after (and assuming) completion of the Proposed Debt Capitalisation with all 95,956,468 Conversion Shares issued, are as set out in **Annex A**.

Save for their respective directorships and/or shareholding interests in the Company and/or its subsidiaries (as the case may be) and save as disclosed in this announcement, none of the Directors or their associates or, as far as the Company is aware, substantial Shareholders or their associates, has any interest, direct or indirect, in the Proposed Debt Capitalisation.

13. CIRCULAR TO SHAREHOLDERS AND EGM

The Proposed Debt Capitalisation is subject to the Company obtaining Shareholders' approval pursuant to, among others, Chapters 8 and 9 of the Catalist Rules. Accordingly, the Company will convene an EGM to seek Shareholders' approval for the Proposed Debt Capitalisation. A circular, including the notice of the EGM and further details regarding the Proposed Debt Capitalisation, will be despatched to Shareholders in due course.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Debt Capitalisation Agreements are available for inspection during normal business hours, on any weekday (other than a public holiday), at the Company's registered office at 151 Lorong Chuan, New Tech Park, #06-07A Lobby G, Singapore 556741, for a period of three (3) months from the date of this announcement.

15. 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 Proposed Debt Capitalisation, 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 this announcement in its proper form and context.

16. TRADING CAUTION

Shareholders and potential investors are advised to exercise caution in trading their Shares as there is no certainty or assurance as at the date of this announcement that the Proposed Debt Capitalisation will take place or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

BY ORDER OF THE BOARD

Chay Yiowmin
Lead Independent Director

18 December 2024

*This announcement has been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**"), and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

The contact person for the Sponsor is Mr Jerry Chua (Tel: (65) 6241 6626), at 160 Robinson Road, #20-01/02, SBF Center, Singapore 068914.

ANNEX A

Following the completion of the Proposed Debt Capitalisation and assuming no further new Shares are issued by the Company, the changes in shareholding interests of the Directors and substantial Shareholders are set out below:

	Before the Proposed Debt Capitalisation <i>(as at the date of this announcement)</i>				After the Proposed Debt Capitalisation			
	Direct		Deemed		Direct		Deemed	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Directors								
Ho Yow Ping ⁽³⁾⁽⁴⁾	42,433,333	18.28	112,093,506	48.28	109,099,999	33.25	123,603,685	37.67
Su Jun Ming	-	-	-	-	14,285,714	4.35	-	-
Chay Yiowmin	-	-	-	-	-	-	-	-
Foo Say Tun	-	-	-	-	-	-	-	-
Substantial Shareholders (other than Directors)								
Suki Sushi Pte. Ltd.	110,466,839	47.58	-	-	121,977,018	37.17	-	-
Lee Boon Leng ⁽³⁾	1,626,667	0.70	110,466,839	47.58	1,626,667	0.50	121,977,018	37.17
Grace How Pei Yen	19,090,266	8.22	-	-	19,090,266	5.82	-	-
Mary Chia Ah Tow	14,120,000	6.08	-	-	14,120,000	4.30	-	-

Notes:-

- (1) Based on the issued share capital of the Company, comprising 232,172,215 Shares as at the date of this announcement. The Company does not have any treasury shares.
- (2) Based on the enlarged share capital of the Company of 328,128,683 Shares after (and assuming) the allotment and issuance of 95,956,468 Conversion Shares to all creditors.
- (3) HYP and LBL hold 21.45% and 78.55%, respectively, of the total issued shares in SSPL. By virtue of the relevant provisions of Section 4 of the SFA, each HYP and LBL is treated as having an interest in the Shares held by SSPL.
- (4) HYP is the Executive Chairman and Chief Executive Officer of the Company. By virtue of Section 133(4) of the SFA, HYP is deemed to have an interest in the 1,626,667 Shares held by her spouse, LBL.