

MARY CHIA HOLDINGS LIMITED
(Company Registration Number 200907634N)
(Incorporated in Singapore)

**PROPOSED PLACEMENT OF UP TO 26,666,666 NEW ORDINARY SHARES IN THE CAPITAL OF
THE COMPANY AT AN ISSUE PRICE OF S\$0.075 PER SHARE**

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, on 24 January 2020, the Company had entered into a placement agreement (the "**Placement Agreement**") with SAC Capital Private Limited as placement agent ("**Placement Agent**").

1.2. Pursuant to the Placement Agreement, the Company has agreed to offer, by way of placement, and the Placement Agent has agreed to procure subscriptions on a best endeavours basis, for an aggregate of up to 26,666,666 new ordinary shares ("**Placement Shares**") in the capital of the Company at an issue price of S\$0.075 (the "**Issue Price**") for each Placement Share amounting to an aggregate cash consideration of S\$2,000,000 (the "**Aggregate Consideration**") (the "**Proposed Placement**").

1.3. Additional Listing Application

The Company will apply to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") through its sponsor, PrimePartners Corporate Finance Pte. Ltd., for the dealing in, listing of and quotation for the Placement Shares on the Catalist board of the SGX-ST (the "**Catalist**"). The Company will make the necessary announcement upon receipt of the listing and quotation notice ("**LQN**") from the SGX-ST.

1.4. Exemption from Prospectus Requirement

The Proposed Placement is not underwritten. The Proposed Placement will be undertaken by way of private placement to accredited investors in accordance to Sections 274 and 275 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

2. THE PROPOSED PLACEMENT

2.1. Placement Shares

The Placement Shares shall be issued free from any and all claims, charges, liens, mortgages, securities, pledges, equities, encumbrances or other interests whatsoever and shall rank *pari passu* with and shall carry all rights similar to the existing shares of the Company ("**Shares**") except that the Placement Shares will not rank for any dividends, rights, allotments, or other distributions, the record date for which falls on or before the date of the allotment and issue of the Placement Shares.

The Placement Shares represent approximately 16.31% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company as at the date

of this announcement and approximately 14.02% of the enlarged share capital (excluding treasury shares and subsidiary holdings) of the Company following the completion of the Proposed Placement, assuming there are no changes to the number of Shares (excluding treasury shares and subsidiary holdings) of the Company before the completion of the Proposed Placement.

2.2. Issue Price

The Issue Price of S\$0.075 per Placement Share represents the volume weighted average price ("**VWAP**") for trades done on the SGX-ST on 27 November 2019, being the last full market day on which the Shares were traded prior to the date of the Placement Agreement.

The Issue Price was commercially agreed between the Company and the Placement Agent after arm's length negotiations and taking into account historical trading performance of the Company and prevailing market conditions.

2.3. General Mandate

The Placement Shares will be allotted and issued pursuant to the general share issue mandate granted by the shareholders of the Company ("**Shareholders**") by way of an ordinary resolution ("**General Mandate**") at the annual general meeting of the Company held on 30 July 2019 ("**2019 AGM**"). The General Mandate authorises the Directors to allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2019 AGM, of which the aggregate number of new Shares of the Company to be issued other than on a *pro-rata* basis to all existing Shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). As at the date of the 2019 AGM, the Company had 163,495,140 Shares in issue. The Company had no treasury shares and subsidiary holdings.

As at the date of this announcement, no Shares have been issued by the Company since the 2019 AGM under the General Mandate. The maximum number of Shares that may be issued other than on a *pro-rata* basis pursuant to the General Mandate is 81,747,570. Accordingly, the proposed allotment and issue of the Placement Shares falls within the limit of the General Mandate.

2.4. Compliance with Catalist Rules

The Placement Shares (i) will not be placed to any person who is a Director or a substantial shareholder of the Company or any other person in the categories set out in Rule 812(1) of the Catalist Rules, and (ii) will not result in any transfer of controlling interest in the Company.

2.5. Placement Agent Commission

A placement commission of 3% of the gross proceeds raised pursuant to the Proposed Placement will be payable to the Placement Agent in the form of Shares at an issue price of S\$0.075 ("**Commission Shares**"). No part of the Commission Shares will be shared with any placee.

The Commission Shares shall be issued free from any and all claims, charges, liens, mortgages, securities, pledges, equities, encumbrances or other interests whatsoever and shall rank *pari passu* with and shall carry all rights similar to the existing shares of the Company ("**Shares**") except that the Commission Shares will not rank for any dividends, rights, allotments, or other

distributions, the record date for which falls on or before the date of the allotment and issue of the Commission Shares.

2.6. Conditions Precedent

The completion of the Proposed Placement are conditional upon the satisfaction or waiver of, *inter alia*, the following conditions ("**Conditions**"):

- (a) the LQN being obtained from the SGX-ST and not having been revoked or amended and, where the LQN is subject to conditions, to the extent that any conditions of the LQN are required to be fulfilled on or before the Completion Date (as defined below), they are so fulfilled;
- (b) the exemption under Section 274 and 275 of the SFA being applicable to the Proposed Placement;
- (c) the allotment and issue of Placement Shares are not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreements by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company or the Placement Agent;
- (d) there not having occurred, in the opinion of the Placement Agent, any material adverse change, or any development reasonably likely to involve a prospective material adverse change, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the Placement Agreement which, in the opinion of the Placement Agent, is or is reasonably likely to be materially adverse in the context of the Proposed Placement or is reasonably likely to prejudice materially the success of the Proposed Placement or dealings in the Placement Shares; and
- (e) the representations warranties and undertakings set out in the Placement Agreement remaining true and correct in all material respects as at the Completion Date and the Company having performed all of its obligations under the Placement Agreement to be performed on or before the Completion Date.

2.7. Long-Stop Date

Under the Placement Agreements, if the Conditions Precedent are not satisfied on the date falling four (4) weeks after the date of the Placement Agreement (or such later date as the parties may mutually agree) (the "**Long-Stop Date**"), the Placement Agreement shall terminate and be of no further effect and no party shall be under any liability to the other in respect of the Placement Agreement save that the Company shall remain liable for indemnities against the Placement Agent and for the reimbursement of costs and expenses reasonably incurred by the Placement Agent in respect of the Proposed Placement of the Placement Shares up to the date of such termination.

2.8. Completion

Completion of the Proposed Placement under the Placement Agreement shall take place on the date falling three (3) business days after the date on which the SGX-ST issues the LQN (or other such date as the Company and the Subscribers may agree) ("**Completion Date**").

3. RATIONALE FOR THE PROPOSED PLACEMENT AND USE OF PROCEEDS

The Proposed Placement will allow the Company to strengthen its financial position by raising net cash proceeds (after deducting estimates expenses of approximately S\$50,000) of approximately S\$1,950,000 ("**Net Proceeds**"), which is intended to be utilised by the Company in the following manner:

Use of net proceeds	Proportion (%)	Amount of net proceeds
Working capital	51%	S\$1,000,000
Overseas expansion purposes	49%	S\$950,000
Total	100%	S\$1,950,000

In addition to strengthening its financial position, the purpose of the Proposed Placement is to meet the Group's anticipated working capital requirements, including paying operational expenses, investments and continued strengthening of brands by Mary Chia, as well for overseas expansion purposes. Given the capital-intensive nature of the Group's business and the uncertain challenges faced by the retail sector, the Company believes it is in its best interests to maintain adequate cash reserves at all times.

Pending the deployment of the Net Proceeds, the Net Proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money market instruments and/or marketable securities, and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. As the Net Proceeds will be used for working capital purposes, the Company will disclose a breakdown with specific details on how the Net Proceeds have been applied. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of Net Proceeds in the Company's quarterly and full year financial statements issued under Rule 705 of the Catalist Rules and its annual report(s).

4. DIRECTOR'S CONFIRMATION

The Directors are of the opinion that, after taking into consideration the Group's present bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the above, the Directors are of the opinion that the Net Proceeds will further strengthen and supplement the Group's financial position and capital base.

5. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

5.1. Bases and assumptions

The financial effects of the Proposed Placement on (a) the consolidated net tangible liabilities (“NTL”) per Share and (b) the consolidated loss per Share (“LPS”) of the Group, have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2019 (“FY2019”). The *pro forma* financial effects of the Proposed Placement are for illustration only and do not reflect the actual financial effects or the future financial performance and condition of the Group after the Proposed Placement.

The financial effects are based on the following assumptions:

- (a) the financial effects of the Proposed Placement on the NTL per Share of the Group are computed based on the assumption that the Proposed Placement was completed on 31 March 2019;
- (b) the financial effects of the Proposed Placement on the LPS is computed based on the assumption that the Proposed Placement was completed on 1 April 2018; and
- (c) the expenses incurred in connection with the Proposed Placement amount to approximately S\$50,000.

5.2. Share Capital

	Before the Proposed Placement	After the Proposed Placement ⁽²⁾
Issued and paid-up share capital (S\$)	4,819,000	6,819,000
Total number of issued Shares (excluding treasury shares) ⁽¹⁾	163,495,140	190,161,806

Notes:

- (1) As at the date of this announcement, the Company has no treasury shares.
- (2) Excludes the Commission Shares.

5.3. NTL per Share

The illustrative financial effects of the Proposed Placement on the NTL per Share of the Group as at 31 March 2019 are as follows:

	Before the Proposed Placement	After the Proposed Placement ⁽²⁾
NTL ⁽¹⁾ attributable to equity holders of the Company (S\$)	(4,802,000)	(2,852,000)
Number of Shares	163,495,140	190,161,806
NTL per Share (cents)	(2.94)	(1.50)

Notes:

- (1) NTL means total assets less the sum of total liabilities, non-controlling interests and intangible assets (excluding non-controlling interests).
- (2) Excludes the Commission Shares.

5.4. LPS

The illustrative financial effects of the Proposed Placement on the LPS of the Group for FY2019 are as follows:

	Before the Proposed Placement	After the Proposed Placement ⁽¹⁾
Loss attributable to equity holders of the Company (S\$)	2,904,000	2,954,000
Weighted average number of Shares	163,495,140	190,161,806
Loss per Share (cents)	(1.78)	(1.55)

Note:

- (1) Excludes the Commission Shares.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Placement, other than in their capacity as Director or shareholder of the Company.

7. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Placement Agreement is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 183 Thomson Road, Goldhill Shopping Centre, Singapore 307628 for three (3) months from the date of this announcement.

8. DIRECTOR'S 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 Placement, and 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.

9. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Placement is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are

further developments. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Ho Yow Ping (He YouPing)
Chief Executive Officer
24 January 2020

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("**Sponsor**") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

This announcement has not been examined or approved by the SGX-ST. 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 Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).