

## MARY CHIA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200907643N)

### PROPOSED SUBSCRIPTION OF 5,555,556 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.144 PER SHARE

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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, on 27 October 2020, the Company had entered into a subscription agreement (the "**Subscription Agreement**") with I Concept Global Growth Fund, an exempted company registered in the Cayman Islands with registered office at 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands (the "**Subscriber**").

1.2 Pursuant to the Subscription Agreement, the Subscriber has agreed to subscribe for an aggregate of 5,555,556 new ordinary shares in the capital of the Company (the "**Subscription Shares**") at an issue price of S\$0.144 (the "**Issue Price**") for each Subscription Share amounting to an aggregate cash consideration of S\$800,000 (the "**Aggregate Consideration**"), subject to and upon the terms and conditions of the Subscription Agreement (the "**Proposed Subscription**"). Please refer to paragraph 3 of this announcement for more information on the Proposed Subscription.

1.3 Additional Listing Application

The Company will apply to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") through its sponsor, SAC Capital Private Limited, for the dealing in, listing of and quotation for the Subscription 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 Subscription is not underwritten and there is no placement agent appointed for the purpose of the Proposed Subscription. The offer and allotment and issue of the Subscription Shares is made pursuant to the applicable exemption under Section 274 or Section 275 of the Securities and Futures Act, Chapter 289 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Subscription.

#### 2 INFORMATION RELATING TO THE SUBSCRIBER

*Shareholders should note that information relating to the Subscriber in this paragraph and elsewhere in this announcement was provided by the Subscriber. The Company and the Directors have not independently verified the accuracy and correctness of such information herein.*

2.1 The Subscriber is an exempted company registered in the Cayman Islands on 11 October 2017 with registration number 328056. Its only shareholder is Michael Marcus Liew, who is also a director. The other director is Chi Yin Stefanie Chan.

2.2 The Subscriber was introduced to the Company by a substantial shareholder of the Company and had expressed interest to subscribe to the Company's shares. The Subscriber is a private investor and is subscribing for the Subscription Shares as principal and for its own benefit. As at the date of

this announcement, the Subscriber do not hold, directly or indirectly, any shares in the capital of the Company (the "**Shares**").

- 2.3 The Subscriber has confirmed that it has entered into the Subscription Agreement purely for investment purposes only, and has no intention of influencing the management of, or exercising control over, the Company, and is not acting in concert, as defined in The Singapore Code on Takeovers and Mergers with any persons to obtain or consolidate control of the Company. No share borrowing arrangement has been entered into to facilitate the Proposed Subscription.
- 2.4 No commission was paid or is payable by the Company in connection with the Proposed Subscription.
- 2.5 To the best of knowledge of the Directors, save as disclosed above and in relation to the Proposed Subscription, the Subscriber, and its directors and shareholders, does not have any other connections (including business relationships) with the Company, the Group, its Directors and substantial shareholders.
- 2.6 The Subscriber does not fall into the class of restricted persons as specified under Rule 812(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**").
- 2.7 The Subscriber has agreed to provide additional funds of S\$600,000 to the Company by no later than 31 March 2021, the terms of which will be set in a subsequent subscription agreement.

### **3 SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT**

#### **3.1 Subscription Shares**

Pursuant to the terms of the Subscription Agreement, the Subscriber shall subscribe for 5,555,556 Subscription Shares at the Issue Price per Subscription Share of S\$0.144.

The Subscription 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 except that the Subscription 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 Subscription Shares.

The Subscription Shares represent approximately 2.91% 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 of 190,961,806 Shares and approximately 2.83% of the enlarged share capital (excluding treasury shares and subsidiary holdings) of the Company following the completion of the Proposed Subscription of 196,517,362 Shares, 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 Subscription.

#### **3.2 Issue Price**

The Issue Price of S\$0.144 per Subscription Share is equivalent to a 10% discount to the volume weighted average price ("**VWAP**") of S\$0.16 per Share for trades done on the SGX-ST on 22 September 2020, being the last full market day prior to the date of the Subscription Agreement.

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

#### **3.3 General Mandate**

The Subscription 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 29 September 2020 ("**2020 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 2020 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 2020 AGM, the Company had 190,961,806 Shares in issue. As at the date of this announcement, the Company has not issued any Shares pursuant to the General Mandate. Accordingly, the maximum number of Shares that may be issued pursuant to the General Mandate is 190,961,806 Shares, of which the maximum number of Shares that may be issued other than on a pro-rata basis pursuant to the General Mandate is 95,480,903 Shares. Accordingly, the proposed allotment and issue of the Subscription Shares falls within the limit of the General Mandate.

#### 3.4 Compliance with Catalist Rules

The Subscription 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.

#### 3.5 Conditions Precedent

Under the Subscription Agreement, the completion of the Proposed Subscription is conditional upon the satisfaction or waiver of, inter alia, the following conditions ("**Conditions**"):

- (a) all necessary approvals, including 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) if applicable and necessary, the Company having obtained the approval of the Shareholders in a general meeting for the allotment and issuance of the Subscription Shares at the Issue Price and such approvals not having been suspended, cancelled, revoked or varied before Completion;

#### 3.6 Completion

Completion of the Proposed Subscription under the Subscription Agreement shall take place on the date falling five (5) market days after the date on which the SGX-ST issues the LQN (or other such date as the Company and the Subscriber may agree) ("**Completion Date**").

### 4 RATIONALE FOR THE PROPOSED SUBSCRIPTION AND USE OF PROCEEDS

The Proposed Subscription will allow the Company to raise net cash proceeds (after deducting estimates expenses of approximately S\$10,000) of approximately S\$790,000 ("**Net Proceeds**"). The Company intends to utilize the entire Net Proceeds to enable the Company to make part payment of the consideration for the acquisition of the Monsoon group of companies referred to in the announcement dated 27 October 2020.

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, where applicable, 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. The Company will also, if applicable and should the Net Proceeds be used for working capital purposes, 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 interim and full year financial statements issued under Rule 705 of the Catalist Rules and its annual report(s).

## 5 DIRECTOR'S CONFIRMATION

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

## 6 FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

### 6.1 Bases and assumptions

The financial effects of the Proposed Subscription on (a) the consolidated net tangible assets ("**NTA**") per Share and (b) the consolidated earnings per Share ("**EPS**") of the Group, have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2020 ("**FY2020**").

The pro forma financial effects of the Proposed Subscription 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 Subscription.

The financial effects are based on the following assumptions:

- (a) the financial effects of the Proposed Subscription on the NTA per Share of the Group are computed based on the assumption that the Proposed Subscription had taken place on 31 March 2020;
- (b) the financial effects of the Proposed Subscription on the EPS is computed based on the assumption that the Proposed Subscription was completed on 1 April 2019; and
- (c) the expenses incurred in connection with the Proposed Subscription amount to approximately S\$10,000.

### 6.2 Share Capital

	Before the Proposed Subscription	After the Proposed Subscription
Issued and paid-up share capital (S\$'000)	6,878	7,668
Total number of issued Shares		

(excluding treasury shares) <sup>(1)</sup> ('000)	190,962	196,517
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Note 1: As at the date of this announcement, the Company does not hold any treasury shares.

### 6.3 Net Tangible Assets ("**NTA**") per Share

The illustrative financial effects of the Proposed Subscription on the NTA per Share of the Group as at 31 March 2020 are as follows:

	Before the Proposed Subscription	After the Proposed Subscription
NTA (1) attributable to the owners of the Company (S\$'000)	(12,016)	(11,226)
Total number of issued Shares (excluding treasury shares) (2) ('000)	190,962	196,517
NTA per Share (S\$ cents)	(6.29)	(5.71)

Notes:

1. NTA means total assets less the sum of total liabilities, non-controlling interests and intangible assets.
2. As at the date of this announcement, the Company does not hold any treasury shares.

### 6.4 Earnings Per Share

The illustrative financial effects of the Proposed Subscription on the EPS of the Group for FY2020 are as follows:

	Before the Proposed Subscription	After the Proposed Subscription
Net earnings attributable to owners of the Company (S\$'000)	(9,158)	(9,158)
Weighted average number of Shares ('000)	165,784	171,340
EPS (S\$ cents)	(5.52)	(5.34)

## 7 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 Subscription, other than in their capacity as Director or Shareholder of the Company.

## 8 DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Subscription 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 307608 for three (3) months from the date of this announcement.

## 9 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 Subscription, 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.

## 10 TRADING CAUTION

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

Wendy Ho

Chief Executive Officer  
27 October 2020

This announcement has been reviewed by the Company's sponsor, SAC Capital 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 Ms Tay Sim Yee (Tel: (65) 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.