

ASX ANNOUNCEMENT – CANDY CLUB HOLDINGS LIMITED (ASX: CLB)

18 February 2019

Pre-Quotation Disclosure Notice

The following information is required to be provided to ASX Limited ('ASX') for release to the market in connection with the admission to the official list of, and official quotation of, fully paid ordinary shares in the Candy Club Holdings Limited ACN 629 598 778 ('Company').

Unless otherwise defined, capitalised terms used in this notice have the meaning given to them in the prospectus lodged by the Company with ASIC on 30 November 2018 ('Prospectus').

The Company confirms that all conditions to the offer under the Prospectus have been satisfied and the Company has issued 25,120,020 ordinary shares fully paid ordinary shares at \$0.20 per share to raise \$5,024,004.

The following information is provided as pre-quotation disclosure.

1. Distribution Schedule

A distribution schedule setting out the numbers of holders of Shares in each of the following categories is provided below:

Number of Shares Held	Number of Shareholders	Total Units	%
1 – 1,000	0	0	0.00%
1,001 – 5,000	5	14,034	0.01%
5,001 – 10,000	102	1,006,219	0.72%
10,001 – 100,000	216	10,000,518	7.19%
100,001 – 9,999,999,999	130	128,069,961	92.08%
Total	453	139,090,732	100.00%

2. Statement of 20 largest shareholders

A statement setting out the names of the 20 largest shareholders of the Company, including the number and percentage of Shares held by those shareholders, is provided below:

No	Shareholder Name	Number of Shares	%
1	Chi Kan Tang	21,188,189	15.23%
2	Instanz Nominees Pty Ltd <Hearts A/C>	12,562,500	9.03%
3	Sabone Internet Investments LLC	7,591,549	5.46%
4	James Clive Knox Baillieu	6,534,682	4.70%
5	KEC Ventures II LP	5,322,351	3.83%

No	Shareholder Name	Number of Shares	%
6	Safari Capital Pty Ltd	4,333,474	3.12%
6	CVC Limited	4,333,474	3.12%
7	Hamilton Hawkes Pty Ltd <Whitcombe Family A/C>	4,275,460	3.07%
8	Bedwell Pty Ltd <Bedwell Discretionary A/C>	4,256,509	3.06%
9	10 Bolivianos Pty Ltd	3,354,011	2.41%
10	Crosscut Ventures 3 LP	2,804,870	2.02%
11	Chris Bollenbach	2,634,241	1.89%
12	Rouse Equities Pty Ltd <Rouse Equities Pty Ltd>	2,181,305	1.57%
13	Citicorp Nominees Pty Limited	2,125,000	1.53%
14	T G F Holdings (QLD) Pty Ltd <T Ford Super A/C>	1,835,514	1.32%
15	Instanz Employee Investments Pty Ltd <Instanz Investments A/C>	1,775,620	1.28%
15	RJIR Pty Ltd <ZDR Family A/C>	1,775,620	1.28%
16	Cerdik	1,688,452	1.21%
17	Neysa Demann	1,500,398	1.08%
18	Kentsurf Pty Ltd <Chambers Super Fund A/C>	1,400,000	1.01%
19	Granet Superannuation and Investment Services PL <Granet Super Fund A/C>	1,285,689	0.92%
20	Riady Tjandra	1,256,934	0.90%
Total		96,015,842	69.03%
Total issued Shares		139,090,732	100.00%

3. Updated Statement of Commitments

The following is the statement of commitments based on the actual funds raised under the IPO offer of \$5,024,004 following completion of the capital raising under the Prospectus.

The Company intends to apply funds raised from the IPO offer over the first two years following admission of the Company to the official list of the ASX as follows:

Use of Funds	Amount (A\$)	%
Customer acquisition through B2C advertisements and gifting	\$1,752,000	34.87%

Acquisition of inventory	\$2,061,509	41.03%
Repayments under Promissory Note Agreements	\$584,495	11.63%
Increased marketing efforts	\$626,000	12.46%
Total	\$5,024,004	100%

The above table is a statement of current intentions as at the date of this announcement. As with any budget, intervening events and new circumstances have the potential to affect the manner in which funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

4. Updated Pro Forma Historical Consolidated Statement of Financial Position

The following is the pro forma historical consolidated statement of financial position for the Company based on the actual funds raised under the IPO offer of \$5,024,004, following completion of the capital raising under the Prospectus.

	Candy Club Holdings Limited 30-Jun-18	Sub-total of proforma transactions	Impact of Offer	Total Proforma
	\$	\$	\$	\$
Current assets				
Cash and cash equivalents (1)	200	1,273,952	3,778,518	5,052,670
Trade and other receivables (2)		187,565		187,565
Inventory (3)	-	2,486,776	-	2,486,776
Other (4)	-	66,788	-	66,788
Total current assets	200	4,015,081	3,778,518	7,793,799
Non-current assets				
Property, plant and equipment (5)	-	75,480	-	75,480
Intangibles (6)		33,693	-	33,693
Other (7)		80,337		80,337
Total non-current assets	-	189,510	-	189,510
Total assets	200	4,204,590	3,778,518	7,983,309
Current liabilities				
Trade and other payables (8)	5,680	2,621,869	(54,120)	2,573,429
Borrowings (9)		530,375	(530,375)	-
Total current liabilities	5,680	3,152,244	(584,495)	2,573,429
Non-current liabilities				
Borrowings	-	-	-	-
Total non-current liabilities	-	-	-	-
Total liabilities	5,680	3,152,244	(584,495)	2,573,429
Net assets	(5,480)	1,052,347	4,363,013	5,409,880
Equity				
Issued capital (10)	200	17,720,437	4,819,710	22,540,347
Reserves (11)	0	(14,600,900)	252,008	(14,348,892)
Accumulated losses (12)	(5,680)	(2,067,190)	(708,705)	(2,781,575)
Total equity	(5,480)	1,052,347	4,363,013	5,409,880

Note 1 - Cash and cash equivalents

	Proforma
	\$
Reviewed balance as at 30 June 2018	200
Acquisition and consolidation of Candy Club Holdings Inc	743,577
Record net cash raised from promissory notes	530,375
Pro-forma transaction subtotal	1,273,952
Proceeds from shares issued under the offer	5,024,004
Cash payments for offer costs	(660,991)
Repayment of promissory notes and interest	(584,495)
Impact of offer subtotal	3,778,518
Total proforma balance	5,052,670

Note 2 - Trade and other receivables

	Proforma
	\$
Reviewed balance as at 30 June 2018	-
Acquisition and consolidation of Candy Club Holdings Inc	187,565
Pro-forma transaction subtotal	187,565
Impact of offer subtotal	-
Total proforma balance	187,565

Note 3 - Inventory

	Proforma
	\$
Reviewed balance as at 30 June 2018	-
Acquisition and consolidation of Candy Club Holdings Inc	2,486,776
Pro-forma transaction subtotal	2,486,776
Impact of offer subtotal	-
Total proforma balance	2,486,776

Note 4 - Other assets

	Proforma
	\$
Reviewed balance as at 30 June 2018	-
Acquisition and consolidation of Candy Club Holdings Inc	66,788
Pro-forma transaction subtotal	66,788
Impact of offer subtotal	-
Total proforma balance	66,788

Note 5 - Property, plant and equipment

	Proforma
	\$
Reviewed balance as at 30 June 2018	-
Acquisition and consolidation of Candy Club Holdings Inc	75,480
Pro-forma transaction subtotal	75,480
Impact of offer subtotal	-
Total proforma balance	75,480

Note 6 - Intangibles

	Proforma
	\$
Reviewed balance as at 30 June 2018	-
Acquisition and consolidation of Candy Club Holdings Inc	33,693
Pro-forma transaction subtotal	33,693
Impact of offer subtotal	-
Total proforma balance	33,693

Note 7 - Other non-current assets

	Proforma
	\$
Reviewed balance as at 30 June 2018	-
Acquisition and consolidation of Candy Club Holdings Inc	80,336
Pro-forma transaction subtotal	80,336

Impact of offer subtotal	-
Total proforma balance	80,336

Note 8 - Trade and other payables

	Proforma
	\$
Reviewed balance as at 30 June 2018	5,680
Acquisition and consolidation of Candy Club Holdings Inc	2,567,749
Interest payable on repayment of bridging loan	54,120
Pro-forma transaction subtotal	2,621,869
Interest paid on repayment of bridging loan	(54,120)
Impact of offer subtotal	(54,120)
Total proforma balance	2,573,429

Note 9 - Borrowings

	Proforma
	\$
Reviewed balance as at 30 June 2018	-
Record net cash raised from promissory notes	530,375
Pro-forma transaction subtotal	530,375
Repayment of promissory notes	-
Impact of offer subtotal	-
Total proforma balance	530,375

Note 10 - Issued capital

	Proforma
	\$
Reviewed balance as at 30 June 2018	200
Acquisition and consolidation of Candy Club Holdings Inc	11,031,892
Conversion of Round 1 notes & fees payable	4,675,475
Conversion of Round 2 notes & fees payable	2,013,070
Pro-forma transaction subtotal	17,720,437
Proceeds from shares issued under the offer net of tax effected transaction costs	6,473,355
Capital raising costs incurred net of tax effect	(1,653,645)
Impact of offer subtotal	4,819,710
Total proforma balance	22,540,347

Note 11 - Reserves

	Proforma
	\$
Reviewed balance as at 30 June 2018	-
Commonly controlled reserve on acquisition and consolidation of Candy Club Holdings Inc	(15,471,901)
Share based payment reserve on acquisition and consolidation of Candy Club Holdings Inc	871,001
Pro-forma transaction subtotal	(14,600,900)
Issue of options to lead manager	252,008
Impact of offer subtotal	252,008
Total proforma balance	(14,348,892)

Note 12 - Accumulated losses

	Proforma
	\$
Reviewed balance as at 30 June 2018	(5,680)
Accumulated loss from acquisition date to listing date	(2,013,070)
Interest charged on bridging loan	(54,120)
Pro-forma transaction subtotal	(2,067,190)
Deferred tax asset expense	(708,705)
Impact of offer subtotal	(708,705)
Total proforma balance	(2,781,575)

5. Issue of securities to the Lead Manager's nominees

The Company confirms that it has issued 7,244,312 fully paid ordinary shares and 2,000,000 options with an exercise price of \$0.30, expiring 4 years from the date of issue, to nominees of the Lead Manager to the Offer, Peak Asset Management.

6. Securities subject to ASX restrictions and the restriction period applied to those securities

(a) Restricted Securities for 24 months from the date of official quotation

The Company confirms that the following securities will not be quoted and be classified as restricted securities for a period of 24 months from the date of official quotation of the securities of the Company:

Security Type	Total Holdings	Escrow Period
Ordinary Shares	34,438,212	24 months from Admission
Options with an exercise price of \$0.30, expiring 4 years from the date of issue	2,000,000	24 months from Admission
Options with an exercise price of USD\$1.17, expiring 11 March 2020	87,668	24 months from Admission
Options with an exercise price of USD\$1.17, expiring 1 July 2020	543,665	24 months from Admission
Performance Shares	4,000,000	24 months from Admission

(b) Restricted Securities for 12 months from the date of issue

The Company confirms that the following securities will not be quoted and be classified as restricted securities for a period of 12 months from the date of issue:

Security Type	Total Holdings	Escrow Period
Ordinary Shares	1,960	12 months from 24 October 2018
Ordinary Shares	1,871,053	12 months from 12 November 2018
Ordinary Shares	4,328,791	12 months from 13 November 2018
Ordinary Shares	58,484	12 months from 28 November 2018
Total	6,260,288	

7. Repayment of Promissory Note Agreements

The Company confirms that the Promissory Note Agreements (as defined in the Prospectus), have been repaid in full on 18 February 2019 by the payment of the total amount of A\$584,495 (US\$440,000) to Instanz Australia Pty Ltd <The King Trust> and Chi Kan Tang in equal proportions, in accordance with the terms outlined in Section 10.7 of the Prospectus.

8. Appointment of Mr James Baillieu as director

The Company confirms that Mr James Baillieu has been appointed as a non-executive director of the Company on 7 February 2019. The Company has entered into a Director's Service Agreement and Director's Deed of Indemnity, Access and Insurance with Mr Baillieu on the terms outlined in Sections 10.9 and 10.10 of the Prospectus respectively.

9. Additional information for release to the market

The Company has separately provided ASX with copies of the following documents for release to the market:

- (a) the Company's Appendix 1A and Information Form and Checklist;
- (b) the Prospectus;
- (c) the Company's constitution;
- (d) the Company's reviewed accounts for the period from 24 October 2018 to 31 October 2018;
- (e) the audited accounts for Candy Club Holdings Inc for the full year ended 31 December 2016, 31 December 2017 and its reviewed accounts for the half year ended 30 June 2018;
- (f) the full terms and conditions of the employee share option plan;
- (g) the full terms and conditions of the performance shares;
- (h) the full terms and conditions of the options issued to Mr Keith Cohn; and
- (i) the Company's securities trading policy.

For and on behalf of the Board of Directors,



Justyn Stedwell
Candy Club Holdings Limited
Company Secretary