

MARY CHIA

HOLDINGS LIMITED

(Incorporated in Republic of Singapore on 30 April 2009)

(Company Registration Number: 200907634N)

RENEWAL OF LEASE AGREEMENT WITH JL ASIA RESOURCES PTE. LTD.

The Board of Directors (the **%Board+**) of Mary Chia Holdings Limited (the **%Company+** and together with its subsidiaries, the **%Group+**) (the **%Board+**) refers to the Company's announcement dated 9 February 2012 with regards to the lease agreement entered into with JL Asia Resources Pte. Ltd. (**%JL Asia+**) (**%Lease Agreement+**), and wishes to announce that the Company, through its 51% owned subsidiary, Hotel Culture Pte Ltd, had on 14 February 2014 renewed the lease agreement with JL Asia (**%Renewed Lease Agreement+**).

Under the Renewed Lease Agreement, Hotel Culture will lease the properties situated at 48, 49 and 50 Mosque Street, Singapore (the **%Properties+**), which had been developed into a 84-room heritage hotel (**%Hotel+**) to JL Asia. The aggregate monthly rental comprises S\$125,000 (as opposed to S\$100,000 under the Lease Agreement) and an amount equivalent to 2% of the Hotel's gross sales. The term of the Renewed Lease Agreement will be for a term of three (3) years commencing on 15 February 2014 and expiring on 14 February 2017.

JL Asia is a company incorporated in Singapore and is principally engaged in the business of hotel management. Pursuant to the Renewed Lease Agreement, JL Asia will continue to act as the hotel operator, operating and managing the Hotel. Through outsourcing the non-core business activities of hotel management and operation to JL Asia, the Group will be able to concentrate on its core business of beauty and wellness.

JL Asia is wholly-owned by Mr Lee Boon Leng (**%Mr Lee+**). Mr Lee is the spouse of Ms Wendy Ho, the Chief Executive Officer and controlling shareholder of the Company and the son-in-law of Ms Mary Chia, the Executive Chairman and controlling shareholder of the Company. Mr Lee is also the 49% joint venture partner in Hotel Culture.

Pursuant to Chapter 9 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (**%Catalist Rules+**), JL Asia is defined as an **%Interested person+** and the entry into the Renewed Lease Agreement therefore constitutes an interested person transaction (**%IPT+**).

The Board (including the Audit Committee of the Company) had considered the terms of the Renewed Lease Agreement, after taking steps to ensure that the rental commensurates with prevailing market rates (which included taking into consideration the two independent valuations reports dated 27 November 2013 and issued by the independent property valuer, Colliers International Consultancy & Valuation (Singapore) Pte Ltd and CKS Property Consultants Pte Ltd (the **%Independent Valuations+**)).

Pursuant to Rule 917(4a)(i) of the Catalist Rules, the Audit Committee of the Company is of the view that the IPT is on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders.

Rule 916(1) of the Catalist Rules states that a listed issuer is not required to comply with Rule 906 of the Catalist Rules to obtain shareholders' approval with respect to entering into, or renewal of a lease or tenancy of real property of not more than 3 years if the terms are supported by independent valuation. As the Renewed Lease Agreement is for a term of 3 years and is supported by the

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Independent Valuations, the IPT thus falls within the exception under Rule 916(1) of the Catalyst Rules.

For the financial year ended 31 March 2013, the aggregate value of all IPTs entered into by the Group was S\$ 1,354,438, out of which S\$1,269,438 was entered into with JL Asia in relation to the Lease Agreement and S\$85,000 was entered into with A List Advisory Pte. Ltd. Please refer to the Company's annual report for the financial year ended 31 March 2013 for more information of the nature of the IPT with A List Advisory Pte. Ltd. For the unaudited half year for the financial period ended 30 September 2013, the aggregate value of all IPT entered into by the Group was S\$637,899, all of which were entered into with JL Asia in relation to the Lease Agreement.

Save for Ms Wendy Ho and Ms Mary Chia, none of the Directors and controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Renewed Lease Agreement.

A copy of each of the Renewed Lease Agreement and the Independent Valuations is available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this announcement.

BY THE ORDER OF THE BOARD

Ho Yow Ping (He YouPing)

Chief Executive Officer

14 February 2014

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by 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.

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