

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

SALE AND PURCHASE AGREEMENT RELATING TO THE PROPOSED ACQUISITION OF 80% OF THE ISSUED SHARE CAPITAL OF CERTAIN COMPANIES IN THE MONSOON HAIRDRESSING GROUP – UPDATE ON CONDITIONS SUBSEQUENT

1. INTRODUCTION

The board of directors (“**Board**”) of the Company refers to its announcement dated 27 October 2020 in relation to the entry into a sale and purchase agreement (“**SPA**”) by its wholly-owned subsidiary, M2 Group Pte. Ltd. (“**M2**” or the “**Buyer**”) with Lee Eng Tat (“**LET**” or the “**Seller**”) relating to the proposed acquisition of 80% of the issued share capital of certain companies in the Monsoon Hairdressing group of companies from the Seller (“**Proposed Acquisition**”), and the announcement on 17 November 2020 in relation to the supplementary agreement to revise certain conditions precedents of the SPA (“**Supplemental Agreement**”) (collectively, “**Announcements**”).

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Announcements.

2. Update on Conditions Subsequent

The Board wishes to announce that Buyer and the Seller has mutually agreed to extend the deadline from 31 December 2020 for and/or amend the following conditions subsequent:

Description	Revised Deadline/ Amendments to conditions subsequent	Reasons for change
<u>Third Party Approvals</u> : The Seller have delivered to the Buyer evidence satisfactory to the Buyer that (i) all consents from the relevant banks in respect of the facilities extended to any Target Company set out in the SPA, and (ii) all consents from the relevant parties in respect of properties leased to any Target Company have been obtained, and such consents not having been suspended, cancelled, revoked, or varied before completion.	By 31 March 2021	The Seller has been corresponding with the relevant banks to obtain the necessary consents on the facilities extended to the Target Companies as well as with landlords in respect of properties leased to the Target Companies. However, the administrative processes are taking longer than expected due to work-from-home arrangements and the holiday season.
<u>Novation of Trade Agreement and Sub-distribution Agreement to Monsoon Hair House</u> : The Seller having delivered to the Buyer all necessary documentary evidence which the Buyer may reasonably require, evidencing (i) that all rights and obligations of Monsoon Group Holdings Pte. Ltd. under the Henkel	Monsoon Hair House Pte. Ltd. has entered into the Henkel Trade Agreement and the Shiseido Sub-distribution Agreement with the respective counterparties directly. The Henkel Trade Agreement will be valid for the period commencing 1 January 2021 to 31 December 2022	Not applicable

<p>Trade Agreement has been novated from Monsoon Group Holdings Pte. Ltd. to Monsoon Hair House Pte. Ltd., and (ii) that all rights and obligations of M&A Holdings Pte. Ltd. under the Shiseido Sub-distribution Agreement has been novated from M&A Asia Holdings Pte. Ltd. to Monsoon Hair House Pte. Ltd. (collectively, the “Novated Agreements”).</p>	<p>while the Shiseido Sub-distribution Agreement will be valid for the period commencing 1 January 2021 to 31 December 2021. Accordingly, this condition subsequent is no longer applicable.</p>	
<p><u>Extension of Term of Novated Agreements:</u> The Seller having delivered all necessary documentary evidence which the Buyer may reasonably require, evidencing that the term of the Novated Agreements will be extended for another period of one (1) year commencing from their respective expiry dates.</p>	<p>Please refer to the comments under the Novation of Trade Agreement and Sub-distribution Agreement to Monsoon Hair House above. As the Henkel Trade Agreement is effective from 1 January 2021 to 31 December 2022 while the Shiseido Sub-distribution Agreement is effective from 1 January 2021 to 31 December 2021, this condition subsequent has been fulfilled.</p>	<p>Not applicable</p>
<p>Subject to Completion, the Seller shall use best efforts to ensure that both M&A Asia Holdings Pte. Ltd. and M Hairtech Pte. Ltd. are wound up in accordance with applicable laws by 31 December 2020 (or such other period as may be mutually between the Seller and the Buyer).</p>	<p>This condition subsequent is replaced by a condition subsequent requiring the Seller to change the company names of M&A Asia Holdings Pte. Ltd. and M Hairtech Pte. Ltd. by 31 March 2021, such that the said entities will not be identified with the Monsoon Hairdressing group of companies.</p>	<p>At the request of the Seller to permit the use of these dormant companies for their other business purposes (which are non-competitive in nature to or in the same industry as the Group’s business), the Company has agreed to replace the condition subsequent requiring the winding up of M&A Asia Holdings Pte. Ltd. and M Hairtech Pte. Ltd. to requiring the Seller to change the company names of the said companies such that they will not be identified with the Monsoon Hairdressing group of companies.</p>

3. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in the shares of the Company. In the event of any doubt as to the action they should take, Shareholders should consult their stockbrokers, solicitors, accountants or other professional advisers. The Proposed Acquisition is subject to the fulfilment of the conditions precedent set out in the SPA and there is no certainty or assurance that the conditions precedent will be fulfilled or that the completion of the Proposed Acquisition will take place.

4. FURTHER ANNOUNCEMENT

The Company will make the relevant update announcements in compliance with the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist as and when there are material developments on the Proposed Acquisition and other matters contemplated by this announcement.

BY ORDER OF THE BOARD

Wendy Ho

Chief Executive Officer
31 December 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.

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