

MARY CHIA HOLDINGS LIMITED
Company Registration No. 200907634N
(Incorporated in Singapore)

RECEIPT OF NOTICE OF ARBITRATION

The Board of Directors (the “**Board**”) of Mary Chia Holdings Limited (the “**Company**”) and together with its subsidiaries, (the “**Group**”) refers to the announcements dated 27 April 2015 and 31 May 2016 (the “**Announcement**”) with regards to the joint venture between its wholly-owned subsidiary, Mary Chia Beauty & Slimming Specialist Pte Ltd (“**MCBSS**”), and Slim Beauty House Co., Ltd (“**SBH**”), a company incorporated in Japan, for the purpose of setting up a beauty and slimming service centre to provide and distribute wellness related services and consultations in Singapore (the “**Joint Venture**”), and SBH’s purported termination of the Joint Venture.

The Company wishes to announce that SBH has initiated arbitration proceedings against MCBSS on 19 August 2016 in respect of dispute(s) between SBH and MCBSS arising out of and/or in connection with the Joint Venture. As set out in the Notice of Arbitration, SBH is claiming approximately S\$4.81 million, excluding interest and cost. MCBSS is of the view that the purported termination of the joint venture is not justified and the purported claim against MCBSS for alleged breaches of the joint venture agreement has no merit and the Company will be seeking legal advice in this respect.

In the meantime, the financial impact, if any, of the purported termination of the Joint Venture and of the purported claim for alleged breaches of contract cannot yet be determined.

MCBSS has appointed a legal adviser to act in the arbitration proceedings. The Company will provide an update when there is further information or when there are material developments in the arbitration proceedings.

As at the date of this announcement, the Group continues to operate their businesses as usual.

By Order of the Board

Ho Yow Ping (He YouPing)
Chief Executive Officer

24 August 2016

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 Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.