

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

DISCLOSURE OF INTERESTED PERSON TRANSACTION:

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**”) refers to the Company’s announcements dated 9 February 2012 and 14 February 2014 with regards to the lease agreement entered into with JL Asia Resources Pte. Ltd. (“**JL Asia**”)(the “**Lease Agreement**”) and the renewal of the said Lease Agreement (the “**Announcements**”), and wishes to announce that the Company, through its 51% owned subsidiary, Hotel Culture Pte Ltd, had on 24 April 2017 further renewed the lease agreement with JL Asia (“**Further Renewed Lease Agreement**”).

Capitalised terms used herein, unless otherwise defined, shall bear the same meanings as ascribed to them in the Announcements.

Key terms of the Further Renewed Lease Agreement

Under the Further 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 and an amount equivalent to 2% of the Hotel’s gross sales. The Further Renewed Lease Agreement will be for a term of three (3) years commencing on 15 February 2017 and expiring on 14 February 2020.

Rationale of the interested person transaction and details of the interested person

JL Asia is a Singapore incorporated company and is principally engaged in the business of hotel management. Pursuant to the Further 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**”), the spouse of Ms Ho Yow Ping (“**Miss 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 Catalist Rules, JL Asia is defined as an “interested person” and the entry into the Further Renewed Lease Agreement therefore constitutes an interested person transaction.

Rule 916(1) of the Catalist Rules

The Board and the Audit Committee of the Company have considered the terms of the Further Renewed Lease Agreement, after taking steps to ensure that the rental payment commensurate

with prevailing market rates, taking into consideration the independent valuation report dated 7 March 2017 and issued by the independent property valuer, TEHO Property Consultants Pte. Ltd. (the “**Independent Valuation**”).

The Audit Committee is of the view that the aforementioned transaction is on normal commercial terms, and is not prejudicial to the interest of the Company and its minority shareholders.

Pursuant to Rule 916(1) of the Catalist Rules, 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 Further Renewed Lease Agreement is for a term of 3 years and is supported by the Independent Valuation, the entry into the Further Renewed Lease Agreement thus falls within the exception under Rule 916(1) of the Catalist Rules.

Rule 917(5) of the Catalist Rules

For the current financial year ending 31 March 2018, the aggregate value of all interested person transactions entered into by the Group with JL Asia in relation to the Further Renewed Lease Agreement (based on the total monthly rental to be paid for the contract term of 3 years) is S\$4,500,000.

Interest of Directors and Controlling Shareholders

Save as disclosed herein, none of the Directors or controlling shareholders of the Company has any direct or indirect interest (other than through their respective shareholdings in the Further Renewed Lease Agreement).

Documents available for inspection

A copy of each of the Further Renewed Lease Agreement and Independent Valuation 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 Order of the Board

Ho Yow Ping (He YouPing)
Chief Executive Officer

25 April 2017

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 Catalist. 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.