

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

UPDATE ON ARBITRATION PROCEEDING RELATING TO A JOINT VENTURE BY MARY CHIA BEAUTY & SLIMMING SPECIALIST PTE LTD AND SLIM BEAUTY HOUSE CO., LTD.

The Board of Directors (the “**Board**”) of Mary Chia Holdings Limited (the “**Company**”) and together with its subsidiaries (the “**Group**”) refer to the announcements of the Company dated 27 April 2015, 31 May 2016, 24 August 2016, 13 July 2017, 8 September 2017, 25 September 2017 and 2 November 2017 (the “**Announcements**”) in relation to the joint venture between the Company’s wholly-owned subsidiary, Mary Chia Beauty & Slimming Specialist Pte Ltd (“**MCBSS**”), and Slim Beauty House Co., Ltd (“**SBH**”), the arbitration proceedings initiated by SBH against MCBSS, the application filed by MCBSS to the High Court of Singapore (the “**Court**”) on 25 July 2017 to set aside the Final Award (the “**Application**”), and the Order of Court dismissing the Application (the “**Dismissal Order**”) on 1 November 2017.

Unless otherwise defined, all capitalised terms shall bear the same meanings as the Announcements released by the Company.

The Company wishes to update that:

- (i) MCBSS will not be proceeding with a further appeal following the Dismissal Order. Pursuant to the undertaking dated 1 September 2017 (the “**Undertaking**”), MCBSS’s solicitors shall proceed to release the Sum to SBH’s solicitors;
- (ii) MCBSS shall proceed to make the payment of S\$12,500 and reasonable disbursements under the Dismissal Order to SBH (the “**Further Cost**”); and
- (iii) MCBSS has incurred approximately \$0.1 million in legal fees in relation to the arbitration proceeding and the Application (the “**Legal Fees**”).

The Group reported net assets attributable to equity holders of the Company of S\$4.5 million, net loss of attributable to equity holders of the Company of S\$6.2 million and negative cash flows used in operating activities of S\$3.4 million based on latest audited financial statements as at 31 March 2017.

The aggregate sum of S\$0.7 million attributing to the Sum, Further Cost and Legal Fees is expected to have a material impact on the consolidated net tangible assets per share and earnings per share of the Group for the financial year ending 31 March 2018. However, the Company wishes to highlight that:

- (i) On 24 August 2017, Suki Sushi Pte Ltd (the “**New Controlling Shareholder**”) acquired an aggregate 99,707,046 shares from Chia Ah Tow Mary, representing 60.98% of the total number of Shares pursuant to a sales and purchase agreement and subsequently made a mandatory unconditional cash offer for all the Shares, other than those already owned and controlled, through the despatch of an Offer Document dated 8 September 2017 (the “**Offer Document**”). As stated in Page 12 of Offer Document, the New Controlling Shareholder “*intends to undertake a strategic and operational review of the Group’s business with a view to strengthening the Group’s financial position and identifying areas in which potential may be optimised (including, amongst others, exploring the diversification of the Group’s business into other complementary sectors).*”

- (ii) As stated in Page 45, Notes to the Financial Statements of the Annual Report 2017 of the Company, the New Controlling Shareholder has given *“an undertaking to provide financial support to the Group for the next 12 months after the date of the auditors’ report (dated 7 September 2017) to operate without any curtailment of operations”*.
- (iii) Additionally, as stated in Page 45, Notes to the Financial Statements of the Annual Report 2017 of the Company, Ho Yow Ping (He YouPing), the ultimate controlling shareholder as at 31 March 2017, who is the Chief Executive Officer of the Company has *“given a personal undertaking to provide continuing financial support to the Company and the Group to meet its liabilities and its normal operating expenses to be incurred”*. Further, as disclosed in Note 18, she *“will not demand repayment of the amounts due to her by the Group within the next 36 months from the balance sheet date or until the cash flows of the Group permit, whichever is later”*.

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
22 November 2017

This announcement has been prepared by Mary Chia Holdings Limited (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 Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).