

MARY CHIA HOLDINGS LIMITED
(Company Registration Number 200907634N)
(Incorporated in Singapore)

**DISCLOSURE OF INTERESTED PERSON TRANSACTION:
LEASE AGREEMENT WITH SUKI SUSHI PTE LTD**

The board of directors (the "**Board**") of Mary Chia Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary Mary Chia Beauty & Slimming Specialist Pte Ltd ("**MCBSS**") has entered into a tenancy agreement with Suki Sushi Pte Ltd ("**Suki Sushi**") to lease a unit at 26 Tai Seng St #07-02, J'Forte, Singapore 534057 ("**Office Unit**") for the Group's office premises for a term of 10 months with an option to renew for a further term of one (1) year plus one (1) year ("**Office Lease Agreement**").

Details of the Interested Person

Mr Lee Boon Leng ("**Mr Lee**"), who is the spouse of Ms Ho Yow Ping (He YouPing) ("**Ms Ho**"), the Executive Chairman and Chief Executive Officer and a Controlling Shareholder of the Company, holds 72.87% interest in Suki Sushi while Ms Ho holds 21.45%. Mr Lee is deemed interested in 110,466,839 shares representing 54.37% in the capital of the Company (the "**Shares**") by virtue of his 72.87% shareholdings interest in Suki Sushi. Ms Ho directly owns 32,680,000 representing 16.08% of the Company's Shares and is deemed interested in 54.37% in the Company by virtue of her 21.45% shareholding interest in Suki Sushi.

Accordingly, Suki Sushi is an associate of Mr Lee and is therefore considered an "interested person" as defined in the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). Therefore, the entry of the Office Lease Agreement constitutes an interested person transaction ("**IPT**") pursuant to Chapter 9 of the Catalist Rules.

Details of the Office Lease Agreement

Under the Office Lease Agreement, MCBSS will lease an Office Unit which has an area of approximately 433.83 square meters for S\$13,500 a month. The lease will cover a period from 1 February 2021 until 30 November 2021, with an option to renew for a further term of one (1) year plus (1) year, subject to approval from Jurong Town Corporation..

The terms of the Office Lease Agreement are supported by an independent valuation by the independent property valuer, CKS Property Consultants Pte Ltd ("**Valuer**"). Based on the Valuer's rental valuation report dated 28 January 2021 which uses the market comparison method, the market rental value of the Office Unit is S\$13,500 per month ("**Independent Valuation Report**").

Rationale of the IPT

The Office Lease Agreement has been assessed to be in the commercial interests of the Group after taking into consideration the following:

- (i) the Office Unit is situated within a property that is strategically located within walking distance from an MRT station and bus stops, affording convenience to the Group's employees;
- (ii) the Independent Valuation Report reflects that the aggregate rental charged by Suki Sushi is fair;
- (iii) Suki Sushi has extended rent-free usage of the Office Unit to the Group since 2017, taking into account the financial performance of the Group and the economic conditions.

Statement of the Board and Audit Committee

The Board and the Audit Committee of the Company having considered the terms of the Office Lease Agreement, after taking steps to ensure that the rental payment is commensurate with the prevailing market rates taking into consideration the Independent Valuation Report, are of the view that the Office Lease Agreement is on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders.

Value of IPT

Based on the Group's latest audited financial statements for the financial year ended 31 March 2020 ("FY2020"), the Group had a negative net tangible asset of approximately S\$11 million.

The market capitalisation of the Company is S\$17.3 million based on the 190,961,806 shares in issue and the volume weighted average price ("VWAP") of the Company's shares as at the end of FY2020. As there were no trades for 31 March 2020, the VWAP for the last day in which the Company's shares were traded prior to 31 March 2020, being S\$0.0905 as at 26 February 2020 was used for the computation of the market capitalisation.

Save for the Office Lease Agreement, the other IPTs entered into between the Company and Mr Lee or his associates (as defined in the Catalist Rules) for the financial year ending 31 March 2021 ("FY2021") are as follows:

- An extension of lease agreement (as announced by the Company on 6 July 2020) entered into with JL Asia Resources Pte Ltd ("JL Asia") for tenancy of 48, 49 and 50 Mosque Street for the period from 1 October 2020 to 30 September 2022 ("**Spa Lease Agreement 2**"). The estimated value of this lease agreement to the Company amounted to approximately S\$456,000, representing 2.64% of the market capitalisation of the Company as at 31 March 2020; and
- An extension of lease agreement (as announced by the Company on 23 April 2020) entered into with JL Asia Resources Pte Ltd for tenancy of 48, 49 and 50 Mosque Street for the period from 1 October 2019 to 30 September 2020 ("**Spa Lease Agreement**"). The estimated value of this lease agreement to the Company amounted to approximately S\$228,000, representing 1.32% of the market capitalisation of the Company as at 31 March 2020.

As JL Asia is an associate of Mr Lee, the total value of IPTs entered into between the Group and Mr Lee or his associates for the financial year ending 31 March 2021 ("FY2021"), aggregating the Office Lease Agreement (with an IPT value of S\$459,000), the Spa Lease Agreement and the Spa Lease Agreement 2 amounts to S\$1,143,000 which represents 6.61% of the market capitalisation of the Company as at 31 March 2020.

[Notwithstanding that the total value of interested person transactions entered into with Mr Lee and his associates exceeds 5%, the Company is exempted from the requirement to obtain shareholders' approval for the Office Lease Agreement pursuant to Rule 916(1) of the Catalist Rules. Each of the Spa Lease Agreement, Spa Lease Agreement 2 and Office Lease Agreement are for periods not exceeding three (3) years and the terms are supported by an independent valuation.]

Save for the above, there are no IPTs entered into between the Group and Mr Lee or his associates for FY2021.

Total IPTs entered into for the financial year

Save for this Office Lease Agreement, the Spa Lease Agreement and the Spa Lease Agreement 2, there are no other IPTs entered into during FY2021.

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 Company), in the Office Lease Agreement.

Documents available for inspection

A copy of the Office Lease Agreement is available for inspection during normal business hours at the registered office of the Company for a period of three months from the date of this announcement.

By Order of the Board

Ho Yow Ping (He YouPing)
Chief Executive Officer
29 January 2021

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.

The contact person for the Sponsor is Ms Charmian Lim (Tel: (65) 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 04854.