

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**”) refers to the announcements dated 27 April 2015, 31 May 2016 and 24 August 2016 (the “**Announcements**”) 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.

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 (the “**Arbitration Proceedings**”). As set out in the Notice of Arbitration, SBH is claiming approximately S\$4.81 million, excluding interest and cost. An announcement was released on 24 August 2016.

The Company wishes to announce that the Singapore International Arbitration Centre (“**SIAC**”) has issued an award on 7 July 2017, ordering *inter alia*, that MCBSS shall pay SBH the following:

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- (a) \$315,419.95 as damages for expectation loss arising out of the MCBSS’s breach of the JVA; and
- (b) \$238,552.29 and JPY2,479,409 (approximately S\$30,000) as costs.

Both parties of the Arbitration Proceedings are to take steps to liquidate MSB- Beauty Pte Ltd (“**MSB**”) the joint venture company, in particular:

- (a) MCBSS shall procure its nominee directors to provide their written consent for the liquidation of MSB;
- (b) MCBSS shall execute a written shareholders’ resolution for the liquidation of MSB, and
- (c) MCBSS bear all liquidation expenses incurred in respect of the liquidation.

The Company is currently reviewing the aforementioned award and will take appropriate action(s) on the advice of its legal advisors to appeal.

Additionally in Paragraph 10 of its unaudited results announcement for the financial year ended 31 March 2017, the Company disclosed that it “will explore options (as and when made available) to enhance its and/or the Group’s financial position, and such options could include discussions

with strategic investors and/or partners”. To date, the Company has been in discussions with certain investor(s) on potential corporate actions including and not limited to potential fund-raising via issuance of new shares. The said discussions are on-going and no definite agreement(s) have been executed between the parties. Accordingly, there is no assurance that any transaction will materialize from the on-going discussions.

The Company will, in compliance with the applicable rules of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, make further announcements as appropriate.

By Order of the Board

Ho Yow Ping (He YouPing)
Chief Executive Officer
13 July 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, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088