MARY CHIA HOLDINGS LIMITED

2020 ANNUAL REPORT

OUR PROFILE

Mary Chia Holdings Limited ("MCH" and together with her subsidiaries, the "Group) remains ones of Singapore's leading lifestyle and wellness service providers. Listed on the SGX-ST Catalist since 11 August 2009, the Group has grown from strength to strength with wellness centres under the brand names "Mary Chia", "Urban Homme", "Masego", "Huang Ah Ma", "Organica", "Scinn Medical Centre" and "Dr Scinn". Brands under the Group's umbrella serve defined market segments such as discerning women, metropolitan males, thematic relaxation for families, traditional oriental wellness therapies for tourists and PMEBs, growing demand for non invasive face augmentation and solution-based medical spa treatments, respectively.

The Group's core services can be broadly categorised into beauty and facial services, slimming services, spa and wellness therapies, medical aesthetic services, wellness products, skincare products and investment. "MU" is the Group's skincare arm that distributes skincare and wellness products, both consumable and topically applied, to all wellness and lifestyle centres under its umbrella, while "Organica" range of premium products through its extensive direct selling network.

MCH clinched the prestigious ISO 9001:2008 certification as well as Singapore Prestigious Brand Award - Heritage Brand in 2019. The Group was also awarded Superbrands-Singapore Choice in 2004/2005 and 2009, and was crowned one of the Top 3 Wellness Providers by AsiaOne's readers in 2010. In recognition of the Group's laudable achievement in service excellence, MCH has been presented with Singapore Service Class by Spring Singapore. In 2016, Mary Chia was also the recipient of ASEAN Outstanding Business Award - a Master Class Award in Beauty and Slimming Industry Development.

Lastly, join us in extending our heartiest congratulations to our Chief Executive Officer, Ms Wendy Ho, for not only being nominated, but attained the Outstanding Asia Pacific Enterprise Award 2019!

In spite of the current economic climate amidst COVID-19 outbreak, MCH will ride out the challenges with tenacity and strong leadership that revolutionised its humble beginning.

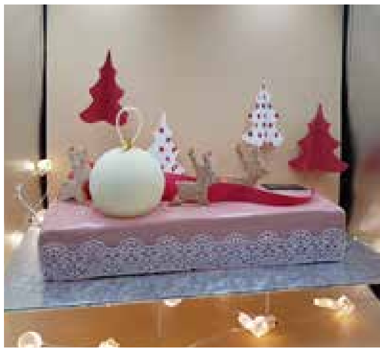
CONTENTS

MARYCHIA

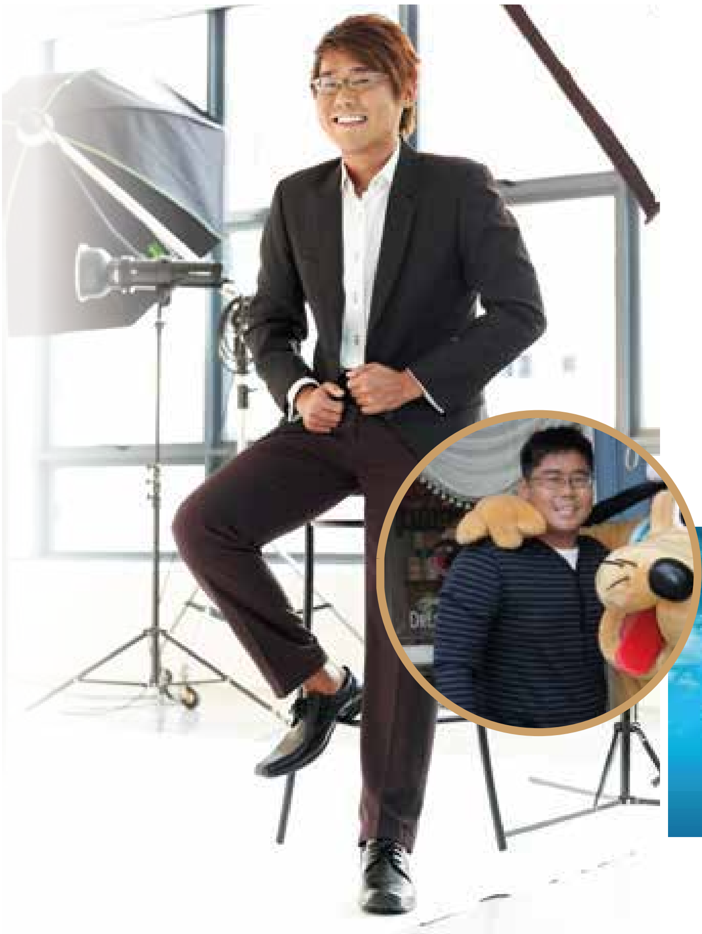
Mary Chia Beauty & Slimming Specialist Pte Ltd is a homegrown and leading beauty and wellness spa brand with professional expertise in providing premium and quality skincare and physique management services for women.

Mary Chia was and continues to be a pioneering force for developing and professionalising the lifestyle and wellness industry by raising the quality and safety standards of service with trained specialists, state-of-art equipment and lab-tested products, all combined with its unique brand of warm and personal customer relationships.

The re-branded Mary Chia advocates that everyone is uniquely beautiful, and sets out to help clients discover and express their unique beauty and form. This brand mission was unveiled at the official re-branding of Mary Chia's flagship outlet at Jurong Point in August 2019, which has been carefully curated to exude a sophisticated yet comfortable ambience.



Last December, Mary Chia collaborated with Chef Francis Wong formerly from Non-Entrée Dessert Cafe to introduce the world's first Collagen Logcake for our regular customers. The cake is creatively executed with MU MIEUX Collagen Hydro+ white peach collagen jelly layer, winter forest berries curd, and an almond cake sponge for interesting textures and flavours. Chef Francis has several illustrious awards under his belt, including the Pastry Art Champion in year 2014 and the Team Champion in Culinary Olympics in year 2016.



URBAN
be your own man
HOMME

Urban Homme Face and Body Studio for Men has established itself as a pioneer brand in Singapore specializing in professional skincare and physique management services developed for men. The brand offers a full spectrum of clinically tested and proven skincare and weight management programmes. The best testimony of Urban Homme's expertise lies in the successful real-life transformations from our customers, who have personally experienced our face and physique management programmes.

MU

Skincare • Body Care • Nutrition+

MU is a revolutionary product line exclusively developed by Mary Chia Group. Aimed to combat aging and reverse its effects, this comprehensive range comprises nutritional dietary supplements as well as skincare and body care products.

In 2019, we have enhanced the formula for MU MIEUX Collagen with Hyaluronic Acid. The new MU MIEUX Collagen Hydro+ includes additional benefit of hydration booster for the skin. MU Ambassadors Li Nan Xing and Constance Song consume a bottle of MU MIEUX Collagen Hydro+ daily and it is suitable for busy individuals who are always on the go.

MASEGO

THE SAFARI SPA

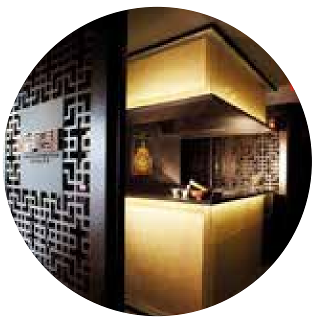
Masego The Safari Spa is Singapore's first and largest safari-themed spa situated in SAFRA Jurong. The 6,500 sq ft spa houses 14 safari tents as treatment rooms, and can be used for holding corportate events and private functions. Masego Spa specializes in hoslistic massages and facials for their guests.

皇阿瑪

THE ORIENTAL SPA CHAMBER

时 尚 养 身 馆

Huang Ah Ma, a hotel spa situated within Porcelain Hotel along Chinatown in Singapore. Decorated in an oriental setting within the heart of city, the hotel spa offers a relaxing haven catering to the needs of tourists and locals. In 2014, Huang Ah Ma has also launched the Maternity Spa, offering pre and post natal massage and recuperation therapies.



scinn Medical Centre

Scinn Medical Centre is the synthesis of bespoke medical aesthetics and beauty therapies, guided by professional medical expertise to help its clients attain and achievable beauty ideal. Employing the latest in FDA-proven technologies, Scinn is focused on providing each client with a 360-degree experience to a better complexion and body shape. Scinn has recently relocated to a new 2,300 sq ft facility at TripleOne Somerset. An official opening was held on 28 June 2019.

New technologies have been invested to provide a wider spectrum of services available at Scinn. Technologies include HIFU Skin Tightening and Carbon Laser Skin Purifying.

Scinn's resident doctor, Dr Tan Yan Yuan, is well versed in the various minimally invasive aesthetic procedures offered at Scinn Medical Centre. Dr Tan graduated with a Bachelor of Medicine and Bachelor of Surgery from the National University of Singapore (NUS). After graduation, he acquired a broad-based training in Primary Care, Emergency Medicine, Dermatology, Oncology, Occupational Health as well as Aesthetics.

Dr Tan actively participates in the latest local and international aesthetic conferences, to stay abreast of the latest aesthetic trends and to be able to offer the most effective treatments for his patients. He strives to constantly upgrade his skill and knowledge. Dr Tan also has research publications in world renowned journals.

Dr scinn Aesthetics

Dr Scinn Aesthetics is the latest addition to the Mary Chia Group, catering to the young, modern, beauty-savvy individuals. The medispa offers treatments employing non-invasive and non-surgical procedures for different skin and body types.

Dr Scinn Aesthetics is one of the first 5 centres in Singapore to launch the Venus Versa, a versatile, multi-application platform for non-invasive aesthetic procedures, including photorejuvenation/ photofacial, hair removal and skin resurfacing.

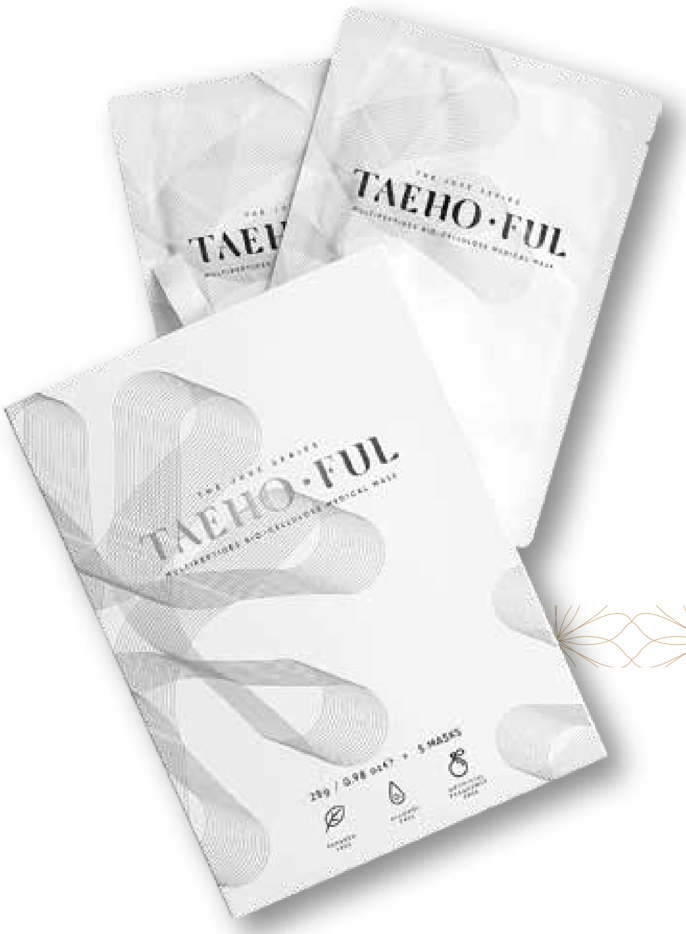
Other procedures include chemical peel, face lifting, fat reduction, pigmentation removal and underarms whitening.

MCU CLINIC

· PERFECTION IS AN ATTITUDE ·

With our flagship clinic located at Sunway Pyramid, adjacent to our Mary Chia Sunway Pyramid, the medical aesthetics centre is well-poised to address the demand for high quality medically proven aesthetics services demanded by both consumers residing in Kuala Lumpur, Malaysia as well as tourists and business travellers visiting this popular tourist destination in the Klang Valley.

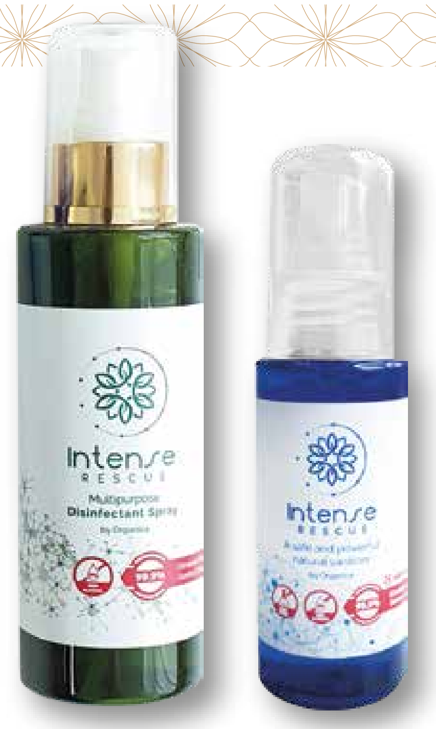
欧佳丽卡
ORGANICA



Established in year 2015, Organica International is a direct selling company that distributes premium nutrition and skincare products created for Asians, by Asians. Organica is a wholly owned subsidiary by the Group.

Each of our products is made from natural ingredients sourced from the best growing regions of the world, and are tailored for Asians in an innovative way. It is a sophisticated form of art that brings back simple goodness from Mother Nature.

In year 2019, we have launched Taeho.ful Bio-cellulose Medical Mask. Taeho.ful is exclusively formulated in Korea with unique Crystalsome technology. This luxurious, fine-textured bio-cellulose mask moulds onto your facial contours, leaving your skin feeling supple with intensive repairing & anti-aging results.



In year 2020, we have launched two products, INTENSE RESCUE Natural Sanitiser and INTENSE RESCUE Multipurpose Disinfectant Spray for personal hygiene care.

INTENSE RESCUE Natural Sanitiser is a safe, non-toxic, natural sanitiser without any undesirable side and addictive effects. The active Nano-Silver liquid was formulated to provide a natural sanitiser that can positively provide effective anti-microbial functions based on the silver nanotechnology.

INTENSE RESCUE Multipurpose Disinfectant Spray is listed in NEA's Interim List of Household Products Effective Against Coronavirus. It is ready-to-use with a neutral pH and gentle to the skin. It is produced from a blend of wide spectrum Quaternary Ammonia Compound (Benzalkonium Chloride) and Glutaraldehyde to provide the best sanitising properties. Efficacy tests are conducted and have shown great anti-bacterial and anti-fungal properties.

Organica has received great reception since its launch in both Singapore and Malaysia. Regular marketing network sessions are organised to reach out to members and new prospects. Training programmes are also organised with experienced speakers from Taiwan and China to enhance on our members skillset.

The Group will continue to endeavour and develop new and innovative range of products to excite our members.

FINANCIAL AND OPERATIONS REVIEW

FINANCIAL PERFORMANCE

Revenue from the Group's operations remained fairly consistent at S$8.8 million for the financial year ended 31 March 2020 ("FY20") as compared to S$8.9 million for the financial year ended 31 March 2019 ("FY19") mainly from the decrease in revenue of $0.6 million from the beauty, slimming and spa treatment for men and S$0.6 million from direct selling of house brands by Organica International Holdings Pte. Ltd. ("Organica") , a wholly-owned subsidiary of the Company. However, the decreases in revenue was partially offset by an increase of S$1.1 million from the beauty, slimming and spa treatment for women.

The Group recorded a loss net of tax of S$9.6 million in FY20 compared to a loss net of tax of S$0.2 million in FY19 primarily due to:

1. The absence of a one-time gain of S$4.9 million in FY19 arising from the disposal of a hotel property known as Porcelain Hotel by the Company's 51% owned subsidiary, Hotel Culture Pte. Ltd. "Property Disposal").
2. The impairment on plant and equipment and impairment on right-of-use assets of S$1.5 million and S$4.5 million respectively recorded in FY20 compared to a S$0.3 million impairment on plant and equipment recorded in FY19. The impairments were considered prudent given the uncertain business outlook caused by Covid-19.

If the impact of the abovementioned one-time profit and impairments were disregarded, the Group's net loss position would have improved by just over S$1.0 million, due mainly to cost control measures across the board – spanning rentals, staff costs, professional fees, and other operating costs, and an increase in write-back of accounts payables amounting to about S$0.4 million. A more detailed comparison for the 2 financial years is provided below. Notwithstanding the net loss recorded by the Group, which mainly resulted from prudent impairments made by the Management of the Company in view of the challenging economic landscape, the Group's cost control measures started to bear fruit during FY20. Going forward, the Group will continue with its cost control measures.

Other operating income decreased by S$4.5 million from S$5.1 million in FY19 to S$0.6 million in FY20 mainly due to the absence of a one-time gain of S$4.9 million arising from Property Disposal and offset by an increase in accounts payable written back amounting to S$0.4 million in FY20.

Purchases and related cost and changes in inventories combined decreased by S$0.3 million from S$0.6 million in FY19 to S$0.3 million in FY20 in line with the decrease in sales.

Operating lease expenses decreased by S$2.2 million or 85% from S$2.6 million in FY19 to S$0.4 million in FY20, mainly due to the adoption of new accounting standard SFRS(I) 16 Leases, where part of the lease expenses are now classified as depreciation of right-of-use assets.

Other operating expenses increased by S$5.1 million or 116% from S$4.5 million in FY19 to S$9.6 million in FY20, largely due to the impairment on plant and equipment and impairment on right-of-use assets of S$1.5 million and S$4.5 million respectively in FY20 partly offset by decreases in legal and professional fees of S$0.2 million and member incentives of S$0.4 million.

The Group's finance costs increased by S$0.3 million or 254% from S$0.1 million in FY19 to S$0.4 million in FY20 mainly due to the increase imputed interest pertaining to lease liabilities after the adoption of the new accounting standard SFRS(I) 16 Leases.

As a result of the above factors, the Group reported a loss net of tax of S$9.6 million in FY20, as compared to a net loss of S$0.2 million in FY19.

STATEMENT OF FINANCIAL POSITION

Resulting from the abovementioned Group loss net of tax, the Group had a working capital deficit of S$8.2 million. The equity attributable to owners of the Company was negative S$12.0 million as at 31 March 2020 compared to negative S$4.8 million as at 31 March 2019. A more detailed review of the various categories of the statement of financial position is provided below.

Plant and equipment decreased by S$1.1 million from S$1.2 million as at 31 March 2019 to S$0.1 million as at 31 March 2020 largely due to the impairment on right-of-use assets of S$1.5 million in FY20, partially offset by increases in renovation and equipment acquired for certain outlets.

Right-of-use assets was recorded for the first time in FY20 due to the adoption of new accounting standard SFRS(I) 16 Leases. The balance of S$0.3 million is net of depreciation of S$2.0 million, and the impairment of S$4.5 million.

Trade and other receivables decreased by S$0.1 million from S$0.4 million as at 31 March 2019 to S$0.3 million as at 31 March 2020 mainly due to the decrease in sundry receivables.

Other assets (current and non-current) decreased by S$0.5 million from S$1.4 million as at 31 March 2019 to S$0.9 million as at 31 March 2020 largely due to decrease in prepayment of S$0.2 million relating to the acquisition of plant and equipment and the reduced rental deposits arising from the closure of one outlet.

Cash and cash equivalents decreased by S$2.4 million from S$4.1 million as at 31 March 2019 to S$1.7 million as at 31 March 2020.

Share capital increased by S$2.1 million due to a share placement exercise completed on 25 February 2020.

Lease liabilities (current and non-current) amounting to S$5.0 million were recorded for the first time in FY20 due to the adoption of the new accounting standard SFRS(I) 16 Leases.

Total borrowings (current and non-current) decreased by S$0.2 million to nil as the amounts relating to certain plant and equipment under finance leases have been classified as lease liabilities in FY20 due to the adoption of SFRS(I) 16 Leases.

Trade and other payables (current and non-current) remained relatively consistent at S$7.7 million as at 31 March 2020 compared with S$7.8 million as at 31 March 2019.

Contract liabilities which represents un-utilised prepaid beauty packages decreased from S$2.4 million as at 31 March 2019 to S$1.7 million as at 31 March 2020 because less packages were bought by customers as the impact of COVID-19 started to be felt.

STATEMENT OF CASH FLOWS

Net cash outflow from operating activities in FY20 of S$1.3 million was mainly due to the operating losses of S$0.8 million, and decreases in trade and other payables of S$1.1 million, partly offset by decreases in trade and other receivables of S$0.7 million.

The Group had a net cash outflow of S$0.9 million from investing activities in FY20. This was primarily due to renovation works on certain outlets and the purchase of new equipment for these outlets.

The Group's net cash inflow from financing activities of S$0.3 million in FY20 was largely due to S$2.0 million from the issuance of ordinary shares in the placement exercise and restricted cash used of S$0.4 million net of the repayment of lease liabilities (the bulk of which constitutes rental payments and finance leases) of S$1.9 million and interest paid of S$0.3 million.

The Group's cash and cash equivalents at the beginning of the financial year, net of cash flows from operating, investing and financing activities for the year resulted in the Group's cash and cash equivalents of S$1.1 million at the end of FY20. Barring any unforeseen circumstances, the Group should be able to continue a going concern as there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due as the Group continues to

1. Be prudent with its cash flow planning and to take active measures to streamline its business and reduce costs,
2. Focus on new sales initiatives via social media platforms to drive revenue with lower upfront costs,
3. Receive continued financial support from its controlling shareholder Suki Sushi Pte Ltd, and
4. Explore potential corporate fund-raising exercises.

MESSAGE FROM THE CHAIRMAN AND CEO

During the financial year ("FY") ended 31 March 2020 , Mary Chia Holdings Limited (the "Company" and together with our subsidiaries, the "Group") remained focused on strengthening the provision of beauty and wellness services, the Group's core business unit, by developing a stable range of products with proven efficacy, extending our distribution network, creating greater online presence and fortifying our financial standing.

Since the last financial year, the Group has been rebranding its outlets across the country to provide a refreshing sensory experience to customers. The Group will, in FY2021, continue to build on the rebranded image of the Group to keep the Mary Chia brand continuously fresh, allowing the Group to strengthen its market positioning with the younger customers (including millennials), while remaining relevant and relatable to our current group of loyal customers.

The Group has also streamlined operations to consolidate financial resources and reduce operating cost. Excluding the impairment recognised on the Group's right-of-use assets and property, plant and equipment totalling approximately S$6.0 million, it is encouraging to note that the Group managed to narrow its loss for FY2020 to S$3.9 million, compared to a loss of approximately S$5.1 million (excluding a one-off gain of S$4.9 million) in FY2019, as a result of several business developments and financial optimisation measures taken at the beginning FY2020.

Moving Forward in the New Norm

The impact of COVID-19 was unprecedented and the Group's outlets had to cease operations during the Circuit Breaker and Movement Order Control period in Singapore and Malaysia.

Despite the challenging economic circumstance, the Group managed to maintain a consistent revenue at S$8.8 million in FY2020 (S$8.9 million in FY2019) as the Group stayed tenacious and nimble, quickly adapting to the changing business landscape by deploying resources to focus on the sales of beauty and wellness products online. By strategically collaborating with prominent public figures, the Group was able to reach out to a wider range of customers and opened up new marketplaces online. The Group will continue to build on its online presence and extending its reach locally and in the region, while at the same time expanding its product offerings and distribution network.

Extending Our Reach

During the peak of COVID-19, Singapore saw massive shortages of disinfectant, hand sanitiser and medical masks. It was during this period, in February 2020, that Intense Rescue was launched and received overwhelming response. Intense Rescue is a medical-grade disinfectant that has been scientifically proven to be effective against a wide range of bacteria, fungi and viruses. It has also gained recognition by the National Environment Agency which has listed the product on their website as a disinfectant that is effective against COVID-19.

The successful launch of the Intense Rescue range of products has clearly demonstrated the Group's adaptability to rise above challenges and to innovate in the face of adversities. With the successful product launches, the Group will continue to meet the market's demand for premium skincare with plans to introduce more scientifically proven products as we move into FY2021.

On behalf of the Company's Board of Directors, I wish to express my heartfelt gratitude to all shareholders, partners, customers and colleagues. I am humbled by your unwavering trust and am committed to bringing the Group to greater heights.

Wendy Ho
Chairman & CEO

BOARD OF DIRECTORS

WENDY HO
Chief Executive Officer and Chairman

First appointment: 30 April 2009
Last re-election: 30 July 2019

Ms Ho Yow Ping ("Wendy Ho") is the Chief Executive Officer ("CEO") and Executive Chairman of the Group. She has been the CEO of Mary Chia Beauty & Slimming Specialists Pte Ltd ("MCBSS") since August 2003 and an executive director of MCBSS since its incorporation in 1994. She is responsible for the daily management and operations of the Group and directs the Group's overall strategy and growth. She has more than 20 years of experience in the lifestyle and wellness industry and was awarded the Entrepreneur of the Year Awards organised by Rotary-ASME in 2004. She was also nominated and attained the Outstanding Asia Pacific Enterprise Award 2019.

Ms Wendy Ho was conferred an Advanced Certificate in Training and Assessment (Facilitated Training), professionally accredited by Singapore Workforce Development Agency in August 2015. She holds a Diploma in Aesthetic Treatments from the Confederation of International Beauty Therapy and Cosmetology ("CIBTAC") and a Certificate from Singtrain Academy in Infant & Child massage/tuina which is a accredited by CIBTAC. She attended several courses which includes the "Comprehensive Course incorporating Medical Beauty, Face Lifting and Cosmetic Acupuncture" organised by the International Medical Beauty Research Association and the "Beauty (Theories & Techniques) Course" organised by the S.E. Asia

PAO KIEW TEE
Lead Independent Director

First appointment: 10 December 2012
Last re-election: 28 September 2018

Mr Pao Kiew Tee is the Chairman of the Audit and Remuneration Committees and a member of the Nominating Committee. He was appointed as Independent Director on 10 December 2012 and was last re-elected on 28 September 2018. Mr Pao was appointed Lead Independent Director with effect from 1 July 2020.

Mr Pao Kiew Tee was a senior government auditor. The last post he held before his retirement in July 2016 after serving the Civil Service for 37 years was Senior Group Director. As a senior government auditor, he was overall in charge of a group responsible for carrying out financial statements and operation audits of government ministries and statutory boards. Prior to joining the Singapore Government, he was with two accounting firms in New Zealand between October 1976 and September 1978. From March 1975 to September 1976, he worked as an analyst for the Commercial Bank of Australia in New Zealand.

He is an independent director of SGX-ST listed companies, Wong Fong Industries Limited and Boldtek Holdings Limited. He is also a Trustee of the Serangoon Gardens Country Club and a member of the Audit Committee of the Seletar Country Club. He holds a Bachelor of Commerce (Accounting) degree from the University of Otago, Dunedin, New Zealand in 1974, and is a fellow of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors.

SIM ENG HUAT
Independent Director

First appointment: 1 February 2019
Last re-election: 30 July 2019

Mr Sim Eng Huat was appointed as an Independent Director of the Company on 1 February 2019 and was last re-elected on 30 July 2019. He is Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees.

Mr Sim started his career in 1977 with the Singapore Civil Service where he has spent a total of 18 years, during which he had served six years in Hong Kong and three years in Bangkok as a diplomat. In 1994, he entered into the private sector by joining Suntec Investment Group of Companies ("SIPL") in Singapore. In addition to fulfilling the role of Chief Operating Officer of SIPL, Mr Sim was the Managing Director of Chesterton Suntec International Property Consultants from 1997 to 2013. He had been an Honorary Advisor to the Real Estate Developers Association of Singapore from 2005 to 2013 and a member of the Singapore Institute of Directors since its founding in January 2000.

Mr Sim is an Independent Director and the Chairman of the Nominating Committee of Lafe Corporation Ltd, a company listed on Main Board of SGX-ST. Mr Sim is also the Chairman of the Nominating Committee of Metech International Ltd and an Independent Director and Chairman of the Nominating Committee of SK Jewellery Group Holdings Ltd, both of which are listed on the Catalist of the SGX-ST.

BOARD OF DIRECTORS

GILLIAN NG
Independent Director
First appointment: 1 July 2020

Ms Gillian Ng Lee Eng ("Gillian Ng") was appointed as an Independent Director of the Company on 1 July 2020.

She is a member of the Audit, Nominating and Remuneration Committees.

Ms Gillian Ng is a Finance Manager as well as head of Human Resource at EagleBurgmann KE Pte Ltd. She is the key member of the management team and has human resource functions oversight over financial and management reporting, internal controls, tax and Human Resource functions.

She graduated with Bachelor Business Accountancy from the Royal Melbourne Institute of Technology and is a member of the Singapore Institute of Directors.

KEY MANAGEMENT

SIMON OOI SEE KENG
Managing Director
MCU Holdings Sdn. Bhd. and MCU Beautitudes Sdn. Bhd.

Mr Simon Ooi joined the Group in May 2009.

He is the Managing Director overseeing our beauty and spa businesses operations in Malaysia. Prior to joining the Group, he worked in HerbaLine Beauty Group as an executive and marketing director from 2007 to 2009. From 2006 to 2007, he was the general manager of LuXOR Beauty Word Sdn Bhd and prior to that, he was the marketing and operation manager of Adonis Beauty Group for 7 years from 2000 to 2006.

Mr Simon Ooi is a professional advisor in beauty and slimming nutrition, a columnist in the beauty and slimming columns of various newspapers and magazines and starred as a specialist guest on Ai FM radio channel, 8TV channel, NTV7 channel on health and beauty programs in Malaysia. He holds a Bachelor of Science degree from National Taiwan University. He also received Public Speaking certification from the accredited Malaysian Speakers' Association.

LIM KOON HOCK
Group Chief Financial Officer
Mary Chia Holdings Limited

Mr Lim Koon Hock was appointed Group Chief Financial Officer in May 2020 and is responsible for the Group's statutory financial accounts, consolidation and financial reporting to the SGX-ST and overall financial and accounting management of the Group.

Mr Lim's career of more than 30 years spans across auditing, finance, accounts and corporate functions in both private and public listed companies.

He has a Bachelor of Commerce (Accountancy) degree from the University of Auckland, and a Master of Business Administration degree from the National University of Singapore. He is a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountants.

FINANCIAL CONTENTS

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of Mary Chia Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining high standards of corporate governance. Good corporate governance provides the framework for an ethical, transparent and accountable corporate environment, which will protect the interests of the Company's shareholders and promote investors' confidence. This report outlines the Company's corporate governance practices and structures for the financial year ended 31 March 2020 ("**FY2020**"), with specific reference made to each of the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**") and the accompanying practice guidance by the Singapore Exchange Trading Limited (the "**SGX-ST**") pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**").

The Company has generally adhered to the framework and complied with all principles outlined in the Code for FY2020. Where there were deviations from the provisions of the Code, appropriate explanations have been provided in the relevant sections. The Company will also continue to enhance its corporate practices appropriate to the conduct and growth of its business and to review such practices from time to time and ensure compliance with the Catalist Rules.

BOARD MATTERS

1. The Board's Conduct of its Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1 – Principal functions of the Board
Provision 1.3 – Matters requiring Board approval

The Board is involved in the supervision of the management of the Group's operations, providing entrepreneurial leadership, setting strategic objectives and ensuring sufficient resources are in place to meet the said objectives, monitoring the performance of the management, reviewing the financial performance of the Group, and ensuring the adequacy of the Group's internal controls and the establishment and maintenance of a sound risk management framework, review corporate governance practises and sustainability practices, instilling the corporate values and standards (including ethical standards and code of conduct) and ensuring accountability, financial reporting, compliance and transparency. All directors shall discharge their fiduciary duties and responsibilities at all times in the interests of the Group. Matters which specifically require the Board's decision or approval include:

(a) corporate strategies, business plan and direction of the Group;

(b) major funding and investment proposals;

(c) nomination and appointment of directors to the Board and Board committees and appointment of key personnel;

(d) interested person transactions;

(e) interim and full year financial results announcement, the annual report and reporting accounts;

(f) declaration of interim dividends and proposal of final dividends;

(g) material acquisition and disposal of assets; and

(h) all other matters of strategic importance relating to the Group.

The Board adopted a set of ethical values and standards which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties. Each Director is required to promptly disclose any conflicts or potential conflicts of interest, whether direct or indirect, in relation to any transaction or matter discussed and contemplated by the Group. Where a potential conflict of interest arises, the Director concerned will recuse himself from discussions and decisions involving the issue of conflict and refrains from exercising any influence over other members of the Board in respect of the issue.

Provision 1.2 – Directors' orientation and training

The Nominating Committee, in accordance with Rule 406(3)(a) of the Catalist Rules, ensures that any new director appointed by the Board, who has no prior experience as a director of a public listed company on the SGX-ST, must attend the mandatory training courses organized by the Singapore Institute of Directors ("SID") on his roles and responsibilities as prescribed by the SGX-ST.

Newly-appointed directors will be given an orientation program with materials provided to familiarise themselves with the business and organisational structure of the Group. Directors are also given an opportunity to visit the Group's business units and meet with management staff to get a better understanding of the Group's operations. Upon appointment of each director, the Company will also provide a formal letter to each director which sets out their duties and obligations.

The Company is responsible for arranging and funding the training of directors. All Board members are provided with regular updates on the changes in the relevant laws and regulations and financial reporting standards to enable them to make well-informed decisions and to ensure they are competent in carrying out their expected roles and responsibilities. Where appropriate, the Company will arrange for directors to attend seminars and receive training such as those organised by the SID, Accounting and Corporate Regulatory Authority ("**ACRA**") and/or the SGX-ST, to improve themselves in discharging of their duties as directors. The Company also works closely with professionals as and when appropriate to provide its directors with updates in changes to relevant laws, regulations and accounting standards.

Ms Gillian Ng Lee Eng was appointed as an Independent Director of the Company on 1 July 2020. She has attended some core modules of the training prescribed by SGX-ST and is currently in the midst of completing the rest of the LED modules

Directors and key executives undergo relevant training to enhance their skills and knowledge, particularly on new laws, regulations and changing risks affecting the Group's operations. Other forms of training include governance practices and training in accounting, legal and industry-specific knowledge. All directors are updated regularly concerning any changes in company policies, risk management, accounting standards, relevant new laws, regulations and changing commercial risks. Directors are encouraged to attend, at the Group's expense, relevant and useful training or seminars conducted by external organisations.

In FY2020, the Company's external auditors, Messrs Foo Kon Tan LLP, updated the Board on the changes in accounting standards.

News releases issued by the SGX-ST and ACRA which are relevant to the directors are circulated to the Board. The Board was given updates at each meeting on business and strategic development pertaining to the Group's business. The Chief Executive Officer (**"CEO"**) also updated the directors on the trends and developments in the beauty and wellness industry, including regulatory changes and its impact on the Group.

Provision 1.4 – Delegation by the Board

The Board has delegated specific responsibilities to three Board committees, namely the Audit Committee, Remuneration Committee and Nominating Committee ("**Board Committees**"). These committees' function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The Chairman of the respective Board Committees will report to the Board and minutes of the Board meetings are made available to all Board members.

More details on each of the Board Committees, including the names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions and a summary of their activities, are set out in the further sections of this report.

Provision 1.5 – Board meetings, attendance and multiple commitments

The Board meets at least twice in each financial year to coincide with the announcements of the Group's half year and full year financial results. Additional meetings are held where circumstances require to address any specific or significant matters that may arise. The Constitution of the Company allows for Board meetings to be conducted by way of tele-conference and video conference.

The number of meetings held and attended by each director for the financial year under review is set out below:

Directors	**Board**		**Audit Committee**		**Nominating Committee**		**Remuneration Committee**	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Ho Yow Ping (He YouPing)[1]	3	3	3	3	1	1	1	1
Yeung Koon Sang @ David Yeung[2]	3	3	3	3	1	1	1	1
Pao Kiew Tee[3]	3	3	3	3	1	1	1	1
Sim Eng Huat[4]	3	3	3	3	1	1	1	1
Gillian Ng Lee Eng[5]	-	-	-	-	-	-	-	-

Notes:

1. *Ms Ho Yow Ping (He YouPing) ("**Wendy Ho**") has been re-designated as the Executive Chairman of the Board and Chief Executive Officer on 1 July 2020. Wendy Ho attended the Audit Committee meetings, Nominating Committee meeting and Remuneration Committee meeting as invitee.*
2. *Mr Yeung Koon Sang @ David Yeung resigned as the Lead Independent Director and Non-Executive Chairman, Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees on 15 May 2020.*
3. *Mr Pao Kiew Tee, an Independent Director of the Company, was re-designated and appointed as the Lead Independent Director and Chairman of the Audit Committee on 1 July 2020. On 14 November 2019, Mr Pao was appointed as Chairman of the Remuneration Committee and resigned as Chairman of the Nominating Committee, while remaining as a member of the Nominating Committee.*
4. *Mr Sim Eng Huat was re-elected as Independent Director, and a member of the Audit and Remuneration Committees on 30 July 2019. On 14 November 2019, Mr Sim was appointed as Chairman of the Nominating Committee.*
5. *Ms Gillian Ng Lee Eng was appointed as an Independent Director and a member of the Audit, Nominating and Remuneration Committees on 1 July 2020.*

Please refer to principle 4 for more information relating to the director's multiple board representations.

Provision 1.6 - Access to information
Provision 1.7 - Access to Management, Company Secretary and External Advisers

The Management provides the Board with complete, adequate and timely information prior to Board meetings and on an on-going basis. Where a decision has to be made, the necessary information is provided to the directors in a timely manner to enable them to make informed decisions.

All directors are from time to time furnished with information concerning the Group to enable them to be fully cognizant of the decisions and actions of the Group's executive management. The Board has unrestricted access to the Company's records and information. In order to ensure that the Board is able to fulfil its responsibilities, Management provides the Board members with regular management accounts and all relevant information for assessment of the Group's performance. In addition, all relevant information on material events and transactions are circulated to directors as and when they arise. Whenever necessary, senior management staff will be invited to attend the Board meetings and AC meetings to answer queries and provide detailed insights into their areas of operations. A half-yearly report of the Group's activities is also provided to the directors.

The Board, either individually or as a group, has separate and independent access to the Management and the Company Secretary at all times. The Company Secretary or her representative should be present at all Board meetings to ensure that Board's procedures are followed, and the relevant rules and regulations are complied with. The minutes of the Board and Board Committees' meetings are circulated to the Board.

The Company Secretary's key role is to ensure that board procedures are followed and regularly reviewed. The function of the Company Secretary is to handle all the corporate paperwork and procedural matters of a company such as to:

(a) Monitor and ensure compliance with the relevant legal requirements, review developments in corporate governance and advise the directors of their duties and responsibilities;

(b) Ensure that the statutory registers required to be kept are established and properly maintained, in particular, the register of director's and substantial shareholder's holding in shares in the Company;

(c) Ensure safe custody and proper use of the common seal;

(d) Ensure that the directors' disclosure of interests are brought up at board meetings and minuted;

(e) Organise and attend directors' and shareholders' meetings such as sending out notices, preparing agendas, taking down of minutes of meetings, give advice at meetings on questions relating to procedure (for example, quorum requirements, voting procedures, proxy provisions), statutory requirements and ensure the correct procedures are followed;

(f) Ensure that the annual return and financial statements and any other filing required by ACRA are filed within the timeframe; and

(g) Disseminate information to the public via the SGXNET.

The appointment and removal of the Company Secretary are subjected to the Board's approval.

Management deals with requests for information from the Board promptly and consults the Board members regularly whenever necessary and appropriate.

Should the directors, whether individually or as a group, require independent advice on any specific issues, they may engage independent professionals at the Company's expense to enable them to discharge their duties with adequate knowledge on the matters being deliberated.

2. Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1 - Board Independence
Provision 2.2 - Majority Independent Directors where Chairman is not independent
Provision 2.3 - Majority non-executive Directors in a Board
Provision 2.4 - Board composition and diversity
Provision 2.5 - Meeting of non-executive Directors without Management

As at the date of this report, the Board consisted of the following directors, who bring a wide range of business and financial experience relevant to the Group:

Wendy Ho	Board Chairman and Chief Executive Officer
Pao Kiew Tee	Lead Independent Director
Sim Eng Huat	Independent Director
Gillian Ng Lee Eng (appointed on 1 July 2020)	Independent Director

The Company endeavors to maintain a strong and independent element on the Board. There were three independent directors ("**IDs**") on the Board during the financial year under review which made up of more than half of the Board. The three IDs made up of a majority of the Board thereby meeting the requirement of the Code which stipulates that where the Chairman is not an independent director, independent directors should make up majority of the Board. The composition of the Board also complies with the provision that Non-Executive Directors make up a majority of the Board. This enables the Board to exercise independent judgement on corporate affairs and provide Management with a diverse and objective perspective on issues.

As set out under the Code, an independent director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company. The Nominating Committee ("**NC**") assess and reviews annually the independence of a director bearing in mind the salient factors as set out under the Code, the Catalist Rules as well as all other relevant circumstances and facts.

Each ID is required to complete a director's independence checklist annually to confirm his independence based on the Code. The IDs must also confirm whether they consider themselves independent despite not having any relationship identified in the Code. Based on the confirmation of independence submitted by the IDs, the NC was of the view that Mr Pao Kiew Tee, Mr Sim Eng Huat and Ms Gillian Ng Lee Eng are independent on the following basis:

(a) The IDs: (i) are not employed by the Company or any of its related corporations for the current or any of the past 3 financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past 3 financial years, and whose remuneration is determined by the Remuneration Committee.

(b) None of the IDs have served on the Board beyond 9 years from the date of first appointment.

(c) None of the IDs and their immediate family member had in the current or immediate past financial year (i) provided or received significant payments or material services aggregated over any financial year in excess of S$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organization which provided or received significant payments or material services aggregated over any financial year in excess of S$200,000 for services rendered.

The Company currently does not have a formal Board Diversity Policy. However, the Company recognises the benefits of having an effective and diverse Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. In reviewing the Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including functional and domain skills, knowledge, experience, cultural and educational background, gender, age, tenure and other relevant aspects of diversity of perspectives appropriate to its business, so as to avoid groupthink, foster constructive debate, and enable the Board to make decisions in the best interests of the Company. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments will be based on merit, in the context of the skills, knowledge, experience and independence which the Board as a whole requires to be effective, having due regard for the benefits of diversity on the Board.

The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

Balance and Diversity of the Board *as at date of this report*		
Core Competencies	**Number of Directors**	**Proportion of Board**
Accounting or finance	2	50%
Business management	4	100%
Legal or corporate governance	3	75%
Relevant industry knowledge or experience	2	50%
Strategic planning experience	4	100%
Customer based experience or knowledge	3	75%

Notwithstanding that the Board does not have a formal Board Diversity Policy in place, the Board has taken the following steps to maintain or enhance its balance and diversity:

(a) by assessing the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and

(b) evaluation by the directors of the skill sets the other directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.

The Board members comprise seasoned professionals with management, financial, accounting, legal, compliance and relevant industry backgrounds. Its composition enables the Management to benefit from a diverse and objective external perspective on issues raised before the Board. The Board considers that its directors possess the necessary competencies to lead and govern the Company effectively.

The NC is responsible for reviewing the independence of the IDs on an annual basis. A member of the NC should not participate in the deliberation in respect of his independence as an independent director. The NC had reviewed and determined that all the IDs are independent based on the results of the annual assessment.

The profile of the directors is set out in the section, "Board of Directors" of the Annual Report.

The IDs provide, among other things, strategic guidance to the Company based on their professional knowledge, in particular, assisting, constructively challenging and developing strategic proposals.

The Board is of the opinion that, given the scope and nature of the Group's operations, the present size of the Board, with appropriate balance and mix of skills, knowledge, experience, gender and age, is appropriate in facilitating effective decision making.

The IDs will constructively challenge and assist in the development of proposals on strategy, and assist the Board in reviewing the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance. When necessary, the IDs will hold discussions amongst themselves without the presence of Management and Executive Director(s) to facilitate a more effective check on Management and/or Executive Director(s).

3. Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 - Separation of the role of the Chairman and the CEO
Provision 3.2 - Role of the Chairman and the CEO
Provision 3.3 - Lead Independent Director

Taking into account the size, scope and the nature of the operations of the Group and given the current cashflow situation of the Company, Ms Wendy Ho has assumed the role of both Board Chairman and CEO of the Company. Any risk is mitigated by the presence of having majority IDs on the Board as well as the appointment of a Lead Independent Director. In addition, Ms Wendy Ho's performance and appointment to the Board is reviewed periodically by the NC and her remuneration package is reviewed periodically by the Remuneration Committee. With the existence of Board Committees imbued with the power and authority to perform key functions, the Board believes that there are sufficient strong and independent elements and adequate safeguards in place against an uneven concentration of power and authority in any single individual.

As the Chairman of the Board, Ms Wendy Ho leads the Board discussions and deliberation and also ensures that the Board meetings are held when necessary. She sets the meeting agenda and ensures that the directors are provided with complete, adequate and timely information. The Chairman also assists in ensuring compliance with the Group's guidelines on corporate governance.

As the CEO, Ms Wendy Ho is responsible for the day-to-day management of the business. She has the executive responsibilities in the business directions and operational efficiency of the Group. She also oversees the execution of the Group's corporate and business strategy set out by the Board and ensures that the directors are kept updated and informed of the Group's business.

In view of the Chairman and CEO roles being held by a single individual, the Board is mindful of the need to appoint a lead independent director to provide focal leadership in situations where the Chairman is conflicted. In this regard, Mr Pao Kiew Tee is appointed as Lead Independent Director of the Company. The Lead Independent Director co-ordinates and leads the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He is the principal liaison on board issues between the IDs and the CEO.

Shareholders with concerns may contact the current Lead Independent Non-Executive Director - Mr Pao Kiew Tee (at email: auditcommittee@marychia.com) directly, when contact through the normal channels via the CEO or the Chief Financial officer has failed to provide a satisfactory resolution or when such contact is inappropriate.

During the financial year, the IDs had a discussion amongst themselves without the presence of key management personnel and Executive Directors, to discuss matters and provide relevant feedback.

4. Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 - The formation, role and duties of an NC
Provision 4.2 - Composition of the NC

Provision 4.4 - Independence review of Directors
Provision 4.5 - Duties and obligations of Directors

As at the date of this report, the NC comprised Mr Sim Eng Huat, Mr Pao Kiew Tee, Ms Gillian Ng Lee Eng (appointed on 1July 2020), all of whom, including the Chairman of the NC, are IDs.

The Chairman of the NC is Mr Sim Eng Huat. He is not directly associated to a substantial shareholder of the Company.

The NC meets at least once a year.

The NC has adopted specific terms of reference and is responsible for, inter alia:

(a) Appointment of new directors with the appropriate profile in regards to their expertise, experiences, industry background, track record and competencies;

(b) Re-nomination of the directors having regard to the director’s contribution and performance;

(c) Review the composition and progressive renewal of the Board

(d) Review the training and professional development programs for the Board

(e) Determining on an annual basis whether or not a director is independent;

(f) Reviewing the composition of the Board and make recommendations on the performance criteria and appraisal process to be used in the evaluation of individual directors; and

(g) Assessing the effectiveness of the Board as a whole and deciding whether or not a director is able to and has been adequately carrying out his/her duties as a director.

Where a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new director with particular skills or experience, the NC, in consultation with the Board, determines the selection criteria and selects the candidate with the appropriate expertise and experience for the position. The search and nomination process for new directors, if any, will be through contacts and recommendations provided by the Management. The NC will review, assess and meet with the candidates before making recommendations to the Board. In recommending new directors to the Board, the NC takes into consideration the skills and experience required to support the Group's business activities and strategies, the current composition and size of the Board, and strive to ensure that the Board has an appropriate balance of independent directors as well as directors with the right profile, expertise, skills, attributes and ability. Upon confirmation, the new directors will be appointed by way of board resolution. Such new directors will submit themselves for re-election at the next annual general meeting of the Company in accordance with the Company's Constitution.

Provision 4.3 - Board renewal
Provision 4.4 - Independence review of Directors
Provision 4.5 - Duties and obligations of Directors

In considering re-electing a director, the NC would assess the performance of the director in accordance with the performance criteria set by the Board including, *inter alia*, the director's competencies, commitment, contribution and performance; and the NC would also consider the current needs of the Board. When re-appointing a director, the NC after its satisfactory assessment would then recommend the proposed re-appointment of the director to the Board for its consideration and approval.

The NC has established a formal appraisal process to assess the performance and effectiveness of the Board as a whole as well as to assess the Board Committees and the individual directors for their contribution and their commitment to their role. The appraisal process focuses on a set of performance criteria which includes the evaluation of the Board's composition and size, the Board's processes, the Board's effectiveness and training, the provision of information to the Board, the Board's standards of conduct and financial performance indicators. Such performance criteria are approved by the Board and they address how the Board has enhanced long term Shareholders' value.

Pursuant to Rule 720(4) of the Catalist Rules and the provisions of Regulation 98 of the Company's Constitution, all directors are subject to re-nomination and re-election at regular intervals of at least once every three years. At each annual general meeting, at least one third of the directors are required to retire from office and submit themselves for re-election.

The NC recommended to the Board that Mr Pao Kiew Tee and Ms Gillian Ng Lee Eng be nominated for re-election at the forthcoming annual general meeting of the Company ("**AGM**"), having reviewed and being satisfied with the overall contributions and performance of Mr Pao Kiew Tee and Ms Gillian Ng Lee Eng. The Board has accepted the recommendations of the NC. Upon re-election, Mr Pao Kiew Tee and Ms Gillian Ng Lee Eng will remain as Independent Directors of the Company. The additional information as set out in Appendix 7F of the Catalist Rules relating to the retiring Directors who are submitting themselves for re-election is disclosed in Section 21 on the Corporate Governance Report.

Mr Pao Kiew Tee and Ms Gillian Ng Lee Eng, being members of the NC, abstained from voting on the resolution in respect of their respective re-nomination and re-election as a director.

As at the date of this report, the year of initial appointment and last re-election of each director as well as their present and past directorships in other listed companies and principal commitments are set out below: -

Director	Date of initial appointment	Date of last re-election	Current directorships in listed companies	Past directorships in listed companies (preceding five years)	Principal commitment[1]
Wendy Ho Yow Ping	30 April 2009	30 July 2019	Nil	Nil	Nil
Pao Kiew Tee	10 December 2012	28 September 2018	Boldtek Holdings Limited Wong Fong Industries Ltd	Jubilee Industries Holdings Ltd Imperium Crown Ltd New Silkroutes Group Ltd	Nil
Sim Eng Huat	1 February 2019	30 July 2019	Lafe Corporation Limited (Delisted on 31/8/2020) Metech International Ltd SK Jewellery Group Holdings Limited (Delisting was announced on 1/9/2020)	Nil	RS Advisory & Consultancy Pte Ltd, Executive Director SunChest Property Consultancy Pte Ltd, Managing Director TalentChest Consulting Pte Ltd, Chief Executive Officer F&L Builders Construction Ptd Ltd, Chairman
Gillian Ng Lee Eng	1 July 2020	N.A.	Nil	Nil	Finance Manager, EagleBurgmann KE Pte Ltd

Note 1: "Principle Commitments" as defined in the Code include all commitments which involve significant time commitment such as full time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in nonprofit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

Multiple board representation

The NC has considered and is of the view that it will not set a limit on the number of directorships that a director may hold because each director has different capabilities, and the nature of the organizations in which they hold appointments and the kind of committees on which they serve are of different complexities. The NC will continue to monitor and assess the demands of each director's competing directorships and obligations to ensure each director has given sufficient time and attention to the affairs of the Company and has adequately discharge his duties to the Company. Based on its assessment, the NC will then determine, if required, the maximum number of directorships each director can hold.

The considerations in assessing the capacity of directors include the following:

- Expected and/or competing time commitments of directors;
- Geographical location of directors;
- Size and composition of the Board; and
- Nature and scope of the Group's operations and size

The Company currently does not have any alternate directors.

The NC had reviewed and is satisfied that Mr Pao Kiew Tee and Mr Sim Eng Huat who holds multiple board representations, have been able to devote adequate time and attention to the affairs of the Company to fulfill their duties as directors of the Company.

5. Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions 5.1 and 5.2 - Board Evaluation Process

The NC evaluates the performance of the Board as a whole, Board Committees and individual directors based on performance criteria set by the Board. The criteria for assessing the Board's and Board Committees' performance include the Board's composition and size, processes, accountability, standard of conduct and performance of its principal functions and fiduciary duties, and guidance to and communication with the Management. The level of contribution to Board meetings and other deliberations are also considered. The performance criteria are not subject to changes from year to year. Nonetheless, where circumstances deem it necessary for any of the criteria to be changed, the Board will justify such changes.

During FY2020, directors were requested to complete a self-assessment checklist based on the above areas of assessment to assess the overall effectiveness of the Board and Board Committees. The results of these checklists were considered by the NC which made recommendations on the re-nomination of directors to the Board to help the Board in discharging its duties more effectively. No external facilitator was engaged in the evaluation process in FY2020.

6. Remuneration Procedures and Policies

Principle 6: The Board has a formal and transparent procedure for developing policy on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration

Provision 6.1 and 6.2 – Composition of the Remuneration Committee
Provision 6.3 – Remuneration framework
Provision 6.4 – Remuneration Consultant

Remuneration Committee

As at the date of this report, the Remuneration Committee ("**RC**") comprised Mr Pao Kiew Tee, Mr Sim Eng Huat and Ms Gillian Ng Lee Eng (appointed on 1 July 2020, all of whom, including the Chairman of the RC, are Independent Directors.

The Chairman of the RC is Mr Pao Kiew Tee.

The key terms of reference of the RC, inter alia, are as follows:

(a) to review and recommend to the Board the terms of renewal for those Executive Directors whose current employment contracts will be expiring or had expired;

(b) to consider the various disclosure requirements for directors' remuneration, particularly those required by regulatory bodies such as SGX and to ensure that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties;

(c) to make recommendations to the Board on the Company's framework of remuneration, the specific remuneration packages for each Executive Director and the CEO or executive of relevant rank if the CEO is not a director;

(d) to engage such professional consultancy firm as the RC may deem necessary to enable it to discharge its duties hereunder satisfactorily;

(e) to carry out such other duties as may be agreed to by the RC and the Board; and

(f) to perform an annual review of the remuneration, bonuses, increases and/or promotions of employees related to our directors and/or substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scope and level of responsibilities.

The RC recommends to the Board a framework of remuneration for the directors and Executive Officer, and determines specific remuneration packages for the Executive Chairman and CEO. The RC submits its recommendations to the Board for endorsement. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, benefits-in-kind and termination terms are covered by the RC. Each member of the RC shall abstain from voting on any resolutions and making recommendations or participating in any deliberations in respect of his remuneration package.

The RC has access to expert advice regarding executive compensation matters, if required, and shall ensure that any relationship between the appointed consultant and any of its director or the Company will not affect the independence and objectivity of the remuneration consultant. The Board did not engage any external remuneration consultant to advise on remuneration matters for FY2020.

7. Level and mix of remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions 7.1, 7.2 and 7.3 (Remuneration of executive and non-executive Directors and Key Management Personnel)

The RC performs an annual review and ensures that the remuneration packages are comparable within the industry and with similar companies and will also take into consideration the Group's relative performance and the contributions and responsibilities of the individual directors. The Company sets remuneration packages to ensure it is competitive and sufficient to attract, retain and motivate Directors and key management personnel commensurate with the Company's and their performance.

The service agreement of Ms Wendy Ho Yow Ping, in relation to her appointment as CEO respectively, were renewed on 5 September 2018 for a period of 3 years. The IDs are compensated based on fixed directors' fees taking into considerations their contributions, responsibilities and time spent. The IDs shall not be over-compensated to the extent that their independence may be compromised Their fees are recommended to shareholders for approval at the annual general meeting of the Company.

The compensation for immediate termination is the amount of remuneration in relation to the notice period unless termination is due to misconduct, where no compensation will be granted.

Currently, contractual provisions are not used that would allow the Company to reclaim incentive components of remuneration from the CEO and key management personnel. In exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company and the Group, the Company believes that there are alternative legal avenues that will enable the Company to recover financial losses arising from such exceptional events from the CEO and key management personnel. The RC would review such contractual provisions as and when necessary. The RC aims to be fair and avoid rewarding poor performance.

The Company currently does not have any employee share option scheme and long-term incentive schemes. The RC will consider recommending the implementation of such schemes for the Directors as well as key management personnel as and when it consider appropriate.

8. Disclosure on remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions 8.1 and 8.3 (Disclosure of remuneration and details of employee share schemes).

The Company adopts a policy of rewarding its Executive Director(s), key executives and managers by way of a basic salary and a variable component comprising variable bonus which is based on individual performance as well as the performance of the Group as a whole. The level and structure of the remuneration are aligned with the market practice to ensure competitive compensation for our Executive Director(s), key executives and managers.

The remuneration received by the Executive Director(s) and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2020. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary and fixed allowance. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.

The performance conditions used to determine the entitlement of the Executive Director(s) and key management personnel comprise of both qualitative and quantitative conditions.

Certain quantitative conditions taken into consideration are target revenue, target profit, sales growth and years of service, while qualitative conditions comprise of on-the-job performance, leadership, teamwork, etc. the performance conditions are set by the RC. In view of the challenging operating conditions, the performance conditions were referred to but not factored in the determination of the remuneration received by the Executive Director(s) and the key management personnel for FY2020. The inclusion of the performance conditions in the service agreement of the Executive Director(s) and key management personnel is done in a review conducted prior to the renewal of the service agreement of the Executive Director(s) and performance evaluation for key executives.

The breakdown of the remuneration of the directors for FY2020 is as follows:

Director	Salary %	Bonus %	Fees %	Others Benefits %	Total %
$250,000 to $500,000					
Wendy Ho Yow Ping	100	-	-	-	100
Below $250,000					
David Yeung (1)	-	-	100	-	100
Pao Kiew Tee	-	-	100	-	100
Sim Eng Huat	-	-	100	-	100

Notes:

1. *Mr David Yeung resigned as the Lead Independent Director and Non-Executive Chairman, Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees on 15 May 2020.*

The Company only had four key management personnel other than a director during FY2020. Due to confidentiality and competitive pressures in the industry and talent market and to prevent poaching of key management personnel, the Company shall not fully disclose the remuneration of individual directors and the top four key management personnel on a named basis. Instead, the remuneration paid to each director and the top four key management personnel for the financial year shall be presented in bands of S$250,000.

Key Management Personnel	Salary[4] %	Bonus %	Fees %	Others Benefits %	Total %
Below $250,000					
Chua Goh Boon Hua[1]	83.5	-	8.2	8.3	100
Simon Ooi See Keng	99.7	-	-	0.3	100
Ng Yui Wei[2]	100.0	-	-	-	100
Hoe Ying Min[3]	96.2	-	-	3.8	100

Notes:

1. *Mr Chua Goh Boon Hua resigned as Executive Director (Malaysia) on 2 October 2019*
2. *Mr Ng Yui Wei resigned as Chief Financial Officer on 28 April 2020*
3. *Dr Hoe Ying Min resigned on 31 January 2020*
4. *Salary includes contractual payments for staff retention purposes that are based on completion of every 6 months of employment.*

None of the key management personnel above is related in any way to the Chairman or the CEO and directors of the Company. There were no employees of the Company or its subsidiaries who were immediate family members of any independent director (including the director who has resigned during FY2020) and the CEO and whose remuneration exceeded S$100,000 during FY2020.

The aggregate of the total remuneration paid to the top four key management personnel (who were not directors or CEO, the others not being considered key management personnel) was approximately $400,000.

There were no termination or retirement benefits, as well as post-employment benefits that are granted to the directors, CEO and key management personnel.

ACCOUNTABILITY AND AUDIT

9. Accountability and audit

Risk management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1 - Nature and extent of risks
Provision 9.2 - Assurance from the CEO, Group CFO and Key Management Personnel

The Company does not have a specific Risk Management Committee. However, the Management regularly reviews the Company's businesses and operational activities to identify areas of significant business risks and takes appropriate measures to minimise these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to the directors and the AC. The Management and directors have also considered the various financial risks, details of which are disclosed in the notes to the accompanying audited financial statements.

The AC will ensure that a review of the effectiveness of the Group's material internal controls, including financial, operational, compliance controls and risk management is conducted annually by the Management, external and internal auditors. The AC will review the audit plans, and the findings of the external auditors and internal auditors, and will ensure that the Group follows up on the external and internal auditors' recommendations raised, if any, during the audit process.

In its review of the external auditors' examination and evaluation of the system of internal controls, to the extent of the scope as laid out in their audit plan, no significant weakness in the system has come to the attention of the AC to cause it to believe that the system of internal controls is inadequate as at the date of this report. Any material findings and recommendations for improvement will be reported to the AC.

In FY2020, the Board had received assurance from the CEO and the CFO that:

(a) the financial records have been properly maintained and the financial statements for FY2020 give a true and fair view of the Company's operations and finances; and

(b) the Company's risk management and internal control systems are effective.

At present, the Board relies on the assurance provided by Management, internal audit reports prepared by the internal auditors ("**Review**"), external audit report and management letter prepared by the external auditors on any material non-compliance or internal control weaknesses.

The Board notes that the system of internal controls provide reasonable, but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud and other irregularities.

10. Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Provisions 10.1, 10.2, and 10.3 – Duties and Composition of the AC

As at the date of this report, the Audit Committee ("**AC**") comprised Mr Pao Kiew Tee, Mr Sim Eng Huat and Ms Gillian Ng Lee Eng (appointed on 1 July 2020), all of whom including the Chairman of the AC are IDs. The Chairman of the AC is Mr Pao Kiew Tee.

None of the AC members were previous partners or directors of the Company's external audit firm within the last two years and none of the AC members hold any financial interest in the external audit firm.

The Board is of the view that the members of the AC have sufficient accounting and financial management expertise and experience to discharge the AC's functions. The AC carried out its functions in accordance with the Companies Act, Catalist Rules, the Code, and its terms of reference.

The AC assists the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records, and develop and maintain effective system of internal controls, with the overall objective of ensuring that the Management creates and maintains an effective controls environment in the Group. The AC provides a channel of communication between the Board, the Management and external auditors on matters relating to audit.

The AC meets at least twice a year to discuss and review the following, where applicable:

(a) Review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to Management and the Management's response;

(b) Review the financial statements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Catalist Rules and any other relevant statutory or regulatory requirements;

(c) Review the internal controls procedures and ensure co-ordination between the external auditors and the Management, review the assistance given by the Management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management, where necessary);

(d) Review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;

(e) Consider the independence, appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of auditors;

(f) Review interested person transactions (if any) and potential conflicts of interest (if any) falling within the scope of Chapter 9 of the Catalist Rules;

(g) Undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(h) Generally undertake such other functions and duties as may be required by the statute or the Catalist Rules, or by such amendments as may be made thereto from time to time; and

(i) Review the key financial risk areas, with a view to provide independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual report or, where the findings are material, announced immediately via SGXNET.

In addition, all transactions with interested persons shall comply with the requirements of the Catalist Rules. In the event that a member of the AC is interested in any matter being considered by the AC, he/she shall abstain from reviewing and deliberating on that particular transaction or voting on that particular transaction.

Apart from the duties listed above, the AC shall commission and review the findings of internal investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results or financial position or both.

The AC also has the power to investigate any matter brought to its attention, within its terms of reference, with the power to obtain professional advice at the Company's expense. The AC has full access to and the co-operation of the Management, as well as full discretion to invite any director or Executive Officer to attend the meetings and has been given reasonable resources to enable it to discharge its functions properly.

In the selection of suitable audit firms, the AC takes into account several considerations such as the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements and quality of work, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the audit. The selected auditing firm based in Singapore is engaged as auditors for the Company as well as Singapore-incorporated subsidiary corporations of the Company. Messrs Foo Kon Tan LLP had been appointed as the external auditor of the Company and the Company's Singapore-incorporated subsidiaries and significant associated companies since 28 March 2016 and Ms Shirley Ang Soh Mui is the current audit engagement partner in charge of the audit of the Company. Accordingly, Rules 712 and 715 of the Catalist Rules are complied with.

The fees paid by the Company to the external auditors in FY2020 for audit and non-audit services amounted to S$67,000 and S$20,800, respectively, the non-audit services being taxation services. The AC, having undertaken a review of all non-audit services (including mainly the agreed upon procedures services) provided by the external auditors, is of the opinion that such services would not affect the independence of the external auditors.

The AC is satisfied with the independence and objectivity of the Company's external auditors, Messrs Foo Kon Tan LLP and has recommended to the Board that Messrs Foo Kon Tan LLP be nominated for re-appointment as external auditors at the forthcoming AGM.

The AC considered the report from the external auditors, including their findings on the key areas of audit focus. Significant matters that were discussed between the Management and external auditors have been included as material uncertainties in the independent auditors' report for the financial year ended 31 March 2020 on page 45 to 48 of the annual report. The Material Uncertainty Related to a Going Concern has been addressed by a letter of financial support from the Company's major shareholder Suki Sushi Pte Ltd, and the external auditors' assessment of the recent management financials of the latter.

The AC is also satisfied with the level of co-operation rendered by the Management to the external auditors and the adequacy of the scope and quality of their audits.

The Company had instituted a whistle-blowing policy to provide a channel for employees of the Group to report in good faith and in confidence, without fear of reprisals, concern about possible improprieties in financial reporting and other matters. The objective of the policy will ensure that there is independent investigation of such matters and that appropriate follow up actions will be taken. The AC exercises the overseeing function over the administration of the policy. Staff is given direct access to the AC via email auditcommittee@marychia.com. Once a complaint is lodged, the AC will direct Management to investigate and review any report findings as well as follow up actions taken. As at the date of this report, there were no reports received through the whistle-blowing mechanism during FY2020.

The AC had recommended that the Company's whistle-blowing policy to be disseminated to each new employee.

The AC members are kept abreast of the changes to accounting standards and issues which have a direct impact on financial statements through the external auditors during the AC meetings.

Provision 10.4 – Internal Audit

The AC is aware of the need to establish a system of internal controls within the Group to safeguard the shareholders' interests and the Group's assets, and to manage risk. The size of the operations of the Group does not warrant the Group to have an in-house internal audit function. The Company outsources the internal audit function to the internal auditors to perform the review and test of controls of the Group's processes. The AC approves the appointment, removal, evaluation and compensation of the internal auditors. The internal auditors report directly to the AC Chairman and has unfettered access to the Company's documents, records, properties and personnel, including access to the AC. The internal auditor assists the AC in ensuring that the Company maintains a sound system of internal controls through regular monitoring of key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC, and conducting regular audits of high-risk areas.

The Company has outsourced its internal audit function to BDO LLP, which is an established international auditing firm. BDO LLP conducts their internal audits based on the BDO Global Internal Audit Methodology which is consistent with the International Professional Practices Framework established by the Institute of Internal auditors. The BDO LLP engagement team comprises 4 members and the Engagement Partner has more than 20 years of experience in audit and advisory services, and is a Chartered Accountant (Singapore), Certified Internal Auditor and Certified Information System Auditor. Members of the internal audit team also have relevant academic qualifications and internal audit experience. The AC is hence satisfied that the outsourced internal audit function is adequately staffed by suitably qualified and experienced professionals based on the internal audits conducted for FY2020.

In FY2020, the internal audit focused on controls over procurement, payments and accounts payable and to follow up on the previous year audit including but not limited to general IT controls, recommendations pertaining to Human Resource and Payroll Management and Corporate Governance practices of the Company ("**Review**"). BDO LLP prepares the audit plan in consultation with, but independent of the Management. The plans are submitted to the AC for approval prior to the commencement of the Review. In addition, the internal auditors may be involved in ad-hoc projects initiated by the Management which require the assurance of the internal auditors in specific areas of concerns.

During the financial year, the internal audit report on the Review were received by the AC with the inclusion of the Management's response. For FY2020, all major high-risk findings highlighted by the internal auditors have been resolved. The AC also reviews the effectiveness of actions taken by the Management on the recommendations made by the internal auditors in this respect. The AC is satisfied that the internal audit function is adequately resourced and has the appropriate standing within the Group.

Based on the above, the Board together with the concurrence of the AC recognises that the possible control weaknesses highlighted by the internal auditors have been dealt with substantially by the management in the form of implementing and improving certain controls to address the possible weaknesses above. Having considered the internal controls established and maintained by the Group, the work performed by the internal and external auditors, reviews and follow-up actions taken by the Management, and the assurance received from the CEO and the CFO, the Board with the concurrence of the AC is of the opinion that the Group's internal controls in addressing financial, operational compliance and information technology controls and risk management systems for FY2020 are adequate and effective.

Provision 10.5 - AC activities during the year

Annually, the AC meets with the internal and external auditors without the present of Management as and when necessary to review the adequacy of audit arrangement with emphasis on the scope and quality of their audit independence, objectivity and observations.

SHAREHOLDER RIGHTS AND ENGAGEMENT

11. Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects

Provisions 11.1 and 11.2 - Conduct of general meetings
Provision 11.3 - Director and External Auditors' attendance in AGMs

The Company recognizes and accepts the principle that all shareholders are treated fairly and equitably and that they have been accorded certain rights under the Singapore Companies Act and the Company's Constitution. Information to all shareholders is disclosed to in a timely and transparent manner and in compliance with SGX disclosure requirements.

Shareholders are given ample opportunity to attend, participate and vote at the Company's general meetings and the Board strongly encourages shareholders to communicate their views and direct questions to Directors or Management regarding the Company and the Group as well as to participate and vote at general meetings.

All shareholders of the Company will receive the notice of annual general meeting and/or extraordinary eneral meeting and such notice will also be published on SGXNet at https://www.sgx.com/securities/company-announcements. The directors attend the annual general meetings and are available to answer questions from the shareholders. The Chairman of the Board, AC, NC and RC and the external auditors will also be present to assist the directors in addressing any relevant queries from shareholders. The Company held its last annual general meeting in July 2019 where all board members were present. The Board considers the annual general meeting as the main forum where dialogue with shareholders can be effectively conducted. The Company will consider the use of other forum set out in the Code as and when such needs arise.

Notice of the general meeting is despatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 working days before the meeting. If and where questions are presented by the shareholders (in a general meeting or otherwise), the Company will communicate with its shareholders and attend to such questions. The Company meets with investors at least once a year at the AGM of the Company.

Due to the Covid-19 temporary measure imposed by the Singapore Government and the regulatory guidance published by SGX for FY2020, the Notice of AGM, Annual Report and the accompanying proxy form will not be despatched to shareholders. The Notice of AGM, Annual Report and the accompanying proxy form will be published on SGXNet at https://www.sgx.com/securities/company-announcements.

Resolutions are passed through a process of voting and shareholders are entitled to vote in accordance with established voting rules and procedures. The Company appoints an independent external party as scrutineer ("Scrutineer") for the poll voting process at the general meetings of the Company. The Scrutineer will explain the poll voting procedures to Shareholders at the general meetings of the Company before the resolutions are put to vote. The Company also ensures that there are separate resolutions at general meetings on each distinct issue. Where the resolutions are "bundled", the Company will set out clearly the reasons and material implications pertaining to the resolutions in the relevant circular or notice of general meeting.

The Company will put all resolutions to vote by poll and announce the detailed results, including the number of votes cast for and against each resolution and the respective percentages, after the conclusion of the general meeting.

Provision 11.4 - Absentia voting

To facilitate participation by shareholders, the Constitution of the Company allow shareholders to attend and vote at general meetings of the Company by proxies. A shareholder who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak, and vote at the general meetings while a member who is relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the general meetings through proxy forms deposited 48 hours before the meeting.

The Company has not amended its Constitution to provide for absentia voting methods. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of shareholders' identities through the web are not compromised. The Company will employ electronic polling if necessary.

Provision 11.5 - Minutes of general meeting

Minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management will be prepared and shall be made available to shareholders upon their request.

The Company does not publish minutes of general meetings of Shareholders on its corporate website as anticipated by Provision 11.5 as there are potential adverse implications for the Company if the minutes of general meetings are published to the public at large, including risk of disclosure of sensitive information to the Group's competitors. The Company is of the view that its position is consistent with intent of Principle 11 as Shareholders have a right to attend general meetings either in person or by proxy, including those who did not attend the relevant general meeting, have a statutory right to be furnished copies of minutes of general meetings in accordance with the Companies Act. The Company is therefore of the view that, consistent with the intent of Principle 11, as between themselves, Shareholders are treated fairly and equitably by the Company.

However, in view that the forthcoming AGM will be held by electronic means due to the evolving Covid-19 situation, the Company will publish the minutes of the AGM the SGX website within one month after the date of the AGM.

Provision 11.6 - Dividend Policy

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends would depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the directors may deem appropriate that are beneficial to the Company. Notwithstanding the above, any declaration of dividends is clearly communicated to the shareholders via SGXNET. The Company did not declare any dividend in FY2020 in view of the Group's financial position as at 31 March 2020 and financial results for FY2020, as well as taking into account the operational and financial requirements of the Group.

12. Engagement with shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1, 12.2, 12.3 (Shareholder engagement, Investor relation policy and shareholder queries)

The Board is mindful of its obligation to provide timely and fair disclosure of material information to shareholders. Shareholders are kept abreast of financial results and other material information concerning the Group through regular and timely dissemination of information through:

(a) The annual report that is dispatched to all shareholders or published on SGXNet within the mandatory period;

(b) announcements on the SGXNET at www.sgx.com; and

(c) the Company's website at www.marychia.com through which shareholders can access information on the Group. An email address (auditcommittee@marychia.com) is also provided at the Company's website for shareholders and potential investors to send their enquiries.

The Company currently does not have an investor relations policy. The Group has entrusted an investor relations team comprising the CEO and the CFO with the responsibility of facilitating communications with shareholders and analysts and attending to their queries or concerns. Accordingly, the Board is of the view that the current communication channels are sufficient and cost-effective. The Company also considers advice from its professionals on appropriate disclosure requirements before announcing material information to shareholders. The Company will consider the appointment of a professional investor relations officer to manage the function should the need arise.

13. Engagement with stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1 – Material Stakeholder engagement
Provision 13.2 - Strategy and key areas of focus in managing stakeholders
Provision 13.3 - Corporate website

The Group has arrangements in place to identify and engage with its material shareholder groups and to manage its relationships with such groups. It undertakes formal and informal stakeholder engagement exercise, such as announcements, press releases, publications, surveys and customer feedback with material stakeholder groups which include shareholders, suppliers, customers, regulators, employees, media and public relations, and the local communities. The Group has identified the environmental, social and governance factors that are important to these stakeholders. These factors form the materiality matrix upon which targets, metrics, programmes and progress are reviewed by and approved by the Board, before they are published annually in our sustainability report. Further information in relation to details of the stakeholders engaged by the Group, areas of focus, approaches to stakeholder, including frequency of engagement by type and by stakeholder group and key feedback or issues that have been raised though stakeholder engagement can be found in the sustainability report for FY2020 which will be released by October 2020. Contact details of our investor relations function will also be listed on our corporate website to facilitate dialogue and queries from stakeholders.

14. Dealing in Company's Securities

In line with Rule 1204(19) of the Catalist Rules, the Group has adopted an internal code of conduct to provide guidance to its directors and officers with regard to dealings in the Company's securities. The Company, directors and officers of the Company should not deal in the Company's securities on short term considerations and during the period of one (1) month prior to the announcement of the Company's half year and full year financial results and ending on the date of the announcement of the relevant financial results. Directors and officers are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. The directors and officers are also required to adhere to the provisions of the Companies Act, and any other relevant regulations with regard to their securities transactions.

15. Interested Person Transactions ("IPTs")

The Company has established procedures to ensure that all transactions with interested persons are reported to the AC which are reviewed, at least twice a year, to ensure that they are carried out at arm's length and in accordance with the established procedures.

The Group does not have a general mandate for IPTs.

The IPTs transacted in FY2020 by the Group were as follows:

Name of Interested Person	Aggregate value of all IPTs during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S$ million)	Aggregate value of all IPTs conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S$100,000) (S$ million)
JL Asia Resources Pte Ltd[1] Operating lease rental income	0.228	–

Note:

1. *JL Asia Resources Pte Ltd ("**JL Asia**") is wholly-owned by Lee Boon Leng ("**Mr Lee**"), being the controlling shareholder of Suki Sushi Pte. Ltd. ("**Suki Sushi**"), is the ultimate controlling shareholder of the Company, and the spouse of the Executive Chairman and CEO of the Company, Ms Wendy Ho Yow Ping ("**Ms Ho**"). Mr Lee has deemed interest of 57.85% in the shares of the Company (the "**Shares**") by virtue of his 72.87% sharehlolding interest in Suki Sushi. Ms Ho directly owns 17.11% of the Company's Shares and is deemed interested in the 57.85% held by Suki Sushi by virtue of her 21.45% shareholding interest in Suki Sushi.*

   *Spa Menu Pte Ltd ("**Spa Menu**"), a wholly owned subsidiary of the Company leases an area of 257.6 square meters within the premise of 48, 49 and 50 Mosque Street (the "**Premise**") to operate a spa under the brand name "Huang Ah Ma". The total value of the interested person transaction recorded for FY2020 amounting to S$228,000 relates to an extension of the lease for the Premise, at a monthly rental of S$19,000 per month for the period from 1 October 2019 to 30 September 2020. On 6 July 2020, the Company announced that had extended the lease for the Premise by an additional two years from 1 October 2020 to 30 September 2022 (the "**Further Extension**"). The Further Extension which was entered into subsequent to FY2020 amounted to S$456,000. Please refer to the Company's announcement dated 6 July 2020 for more information.*

16. Material Contracts

Pursuant to Rule 1204(8) of the Catalist Rules, the Company confirms that except for the services agreements between the Company and the CEO as well as the unsecured, interest-free loans from Ms Wendy Ho Yow Ping (CEO of the Company) and Ms Mary Chia Ah Tow (mother of Ms Wendy Ho) amounting to S$1.494 million and S$2.118 million respectively (the "**Loans**"), there were no material contracts entered into by the Company or any of its subsidiaries, involving the interests of the CEO or any other director or controlling shareholder, which are either still subsisting at the end of FY2020 or if not then subsisting, entered into since the end of the previous financial year. The Loans are repayable within the next 36 months from 31 March 2017 or until the cash flows of the Group permits, whichever is later.

17. Non-Sponsor Fees

For FY2020, the Company paid its sponsor, PrimePartners Corporate Finance Pte. Ltd. ("Prime") non-sponsor fee of S$Nil. As announced over SGXNet on 23 April 2020, Prime's last day as continuing sponsor for the Company was 24 April 2020, the Company having appointed SAC Capital Private Limited ("**SAC**") as its new continuing sponsor effective 25 April 2020. The Company paid SAC non-sponsor fees amounting to S$60,000 as placement commission ("**Placement Commission**") pursuant to the placement exercise undertaken by the Company announced on 24 January 2020.The Placement Commission was paid in the form of 800,000 shares in the capital of the Company at an issue price of S$0.075 per share.

18. Non-Audit Fee

The audit and non-audit services that were rendered by the Company's external auditors, Messrs Foo Kon Tan LLP, to the Group and their related fees in FY2020 were as follows, the non-audit fees being for taxation services rendered:

	$
Audit Fees	67,000
Non-Audit Fees	20,800
Total	87,800

19. Corporate Social Responsibilities

We believe that environmentally-friendly practices complement business efficiency. Our staff are encouraged to reduce, recycle and reuse and we advocate corporate social responsibility towards the environment by incorporating these processes in our daily operations. We encourage the use of recycled paper in the office and other activities to reduce the pollution to earth and water.

The Group is gradually placing emphasis on sustainability and would implement appropriate policies and programs when the opportunities arise. The Group announced its last Sustainability Report on 30 August 2019 and will announce its next for FY2020 in October 2020.

20. Utilisation of Placement proceeds

As announced via SGX-Net on 17 August 2020, the net proceeds of approximately S$1,950,000 arising from the issuance of placement shares, the placement which was completed on 25 February 2020, was fully utilized as shown in the table below:

Use of Net Proceeds	Amount allocated in the Placement announcement	Amount reallocated in the 23 May announcement	Revised allocation of the the Net Proceeds	Amount utilised as at the date of this announcement	Amount unutilised as at the date of this announcement
Working capital	S$1,000,000	S$950,000	S$1,950,000	S$1,950,000	-
Overseas expansion purposes	S$950,000	(S$950,000)	-	-	-
Total	**S$1,950,000**	**-**	**S$1,950,000**	**S$1,950,000**	**-**

Breakdown of the Net Proceeds utilised as working capital are as follows:

	S$
Staff costs	1,409,000
Operating Lease Expense	217,000
Other Operating Expenses (Mainly Professional fees)	199,000
Product purchases	64,000
GST	61,000
Total	**S$1,950,000**

21. Additional Information on Directors nominated for re-election – Appendix 7F to the Catalist Rules

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F of the Catalist Rules relating to Mr Pao Kiew Tee and Ms Gillian Ng Lee Eng, being directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM is set out below:

Name of Director	Pao Kiew Tee	Gillian Ng Lee Eng
Date of Initial Appointment	10 December 2012	1 July 2020
Date of last re-appointment (if applicable)	28 September 2018	N/A
Age	69	49
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Pao as Independent Director of the Company was recommended by the NC and the Board accepted the recommendation taking into consideration Mr Pao's qualifications, past experience and overall contributions since he was appointed as Independent Director of the Company	The re-election of Ms Ng as Independent Director of the Company was recommended by the NC and the Board accepted the recommendation taking into consideration Ms Ng's qualifications, past experience and overall contributions since she was appointed as Independent Director of the Company
Whether the appointment is executive, and if so, the area of responsibility	No	No
Job Title	Lead Independent Director, Chairman of the Audit Committee, member of the Nominating and Remuneration Committees	Independent Director, Member of Audit, Nominating and Remuneration Committees
Professional qualifications	Bachelor of Commerce (Accounting); Fellow of the Institute of Singapore Chartered Accountants, member of the Singapore Institute of Directors	Bachelor of Business (Accountancy) member of the Singapore Institute of Directors
Working experience and occupation(s) during the past 10 years	1979-2016: Team Leader, Assistant Director, Director, Group Director and Senior Group Director – Auditor-General's Office	2010 to present: Finance Manager (Finance/HR/Administration), EagleBurgmann KE Pte Ltd
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships	Independent Director in: Past (for the last 5 years): Jubilee Industries Holdings Ltd Imperium Crown Ltd New Silkroutes Group Limited Present: Boldtek Holdings Limited Wong Fong Industries Limited	Nil
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d)Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :— (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere: or (iii) (any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience.	Not applicable as this relates to the re-appointment of Mr Pao Kiew Tee as director of the Company.	Not applicable as this relates to the re-appointment of Ms Gillian Ng Lee Eng as director of the Company.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

The directors submit this statement to the members together with the audited consolidated financial statements of Mary Chia Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 March 2020.

In the opinion of the directors,

(a) the accompanying statements of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Group for the year ended 31 March 2020 in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, except as described in Note 2(a) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of directors

The Directors of the Company in office at the date of this statement are as follows:

Ho Yow Ping (He YouPing) (Board Chairman /Chief Executive Officer) (Appointed as Board Chairman on 1 July 2020)
Pao Kiew Tee (Lead Independent Director)
Sim Eng Huat (Independent Director)
Gillian Ng Lee Eng (Independent Director) (Appointed on 1 July 2020)

Arrangements to acquire shares, debentures, warrants or options

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares, debentures, warrants or options of the Company or any other corporate body, other than as disclosed in this report.

Directors' interest in shares or debentures

a) According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Number of ordinary shares			
	Shares registered in the name of director		Shares in which director is deemed to have an interest	
The Company - Mary Chia Holdings Limited	As at 1.4.2019	**As at 31.3.2020**	As at 1.4.2019	**As at 31.3.2020**
Ho Yow Ping (He YouPing) (Note 1)	32,680,000	**32,680,000**	110,466,839	**110,466,839**

Note:

(1) Ms Ho Yow Ping (He YouPing) is deemed to have an interest in 110,466,839 shares. Suki Sushi Pte. Ltd. holds 110,466,839 shares in the Company through DBS Vickers Securities (Singapore) Pte. Ltd. Mr. Lee Boon Leng, the spouse of Ms Ho Yow Ping (He YouPing), holds 72.87% of the shareholdings of Suki Sushi Pte. Ltd. while Ms Ho Yow Ping (He YouPing) holds 21.45%.

b) Ms Ho Yow Ping (He YouPing), by virtue of the provisions of Section 7 of the Act, is deemed to have an interest in the whole of the share capital of the Company's wholly owned subsidiaries and in the shares held by the Company in the following subsidiary that is not wholly owned by the Group:

	Number of ordinary shares			
	Shares registered in the name of director		Shares in which director is deemed to have an interest	
The Subsidiary - Hotel Culture Pte Ltd	As at 1.4.2019	**As at 31.3.2020**	As at 1.4.2019	**As at 31.3.2020**
Ho Yow Ping (He YouPing)	-	**-**	245,000	**245,000**

There was no change in any of the above-mentioned interests between the end of the financial year and 21 April 2020.

Share options

No options were granted during the financial year to take up for unissued shares of the Company or its subsidiaries.

No shares were issued during the financial year to which this statement related by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

Audit Committee

The audit committee at the end of the financial year comprises the following members:

Pao Kiew Tee (Chairman)
Sim Eng Huat
Gillian Ng Lee Eng (Appointed on 1 July 2020)

The audit committee performs the functions set out in Section 201B(5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the committee reviewed the following:

(i) overall scope of external audit and the assistance given by the Company's officers to the auditors. It met with the Company's external auditor to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;

(ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

(iii) the adequacy, effectiveness and efficiency of the Company's risk management, internal financial systems and operating controls, including computerised information system control and security, compliance controls and risk management systems via reviews carried out by the internal auditors, and all other material controls, and any related significant findings and recommendations of the auditors, together with management's responses thereto at least on an annual basis;

(iv) the half-yearly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2020 as well as the auditor's report thereon; and

(v) interested person transactions (as defined in Chapter 9 of the Catalist Rules).

The audit committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The audit committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The audit committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the directors

....
HO YOW PING (HE YOUPING)

....
PAO KIEW TEE

14 September 2020

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mary Chia Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 March 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements. The Group incurred losses and total comprehensive loss of $9,633,000 and $9,628,000 (2019 - $202,000 and $525,000) and reported a net operating cash outflows of $1,304,000 (2019 - $28,881,000) for the financial year ended 31 March 2020. As at 31 March 2020, the Group's current liabilities exceeded its current assets by $8,219,000 (2019 - $4,115,000) and the Group had a deficit in equity of $10,978,000 (2019 - $3,289,000).

As at 31 March 2020, the Company's current liabilities exceeded its current assets by $2,465,000 (2019 - net current asset - $32,000) and the Company had a deficit in equity of $2,461,000 (2019 - surplus in equity - $32,000).

These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's or the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ang Soh Mui.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 14 September 2020

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Note	The Group 31 March 2020 $'000	The Group 31 March 2019 $'000	The Company 31 March 2020 $'000	The Company 31 March 2019 $'000
ASSETS					
Non-Current Assets					
Plant and equipment	4	**117**	1,244	**4**	-
Right-of-use asset	5	**308**	-	-	-
Subsidiaries	6	**-**	-	-	-
Other assets	7	**-**	123	-	-
		425	1,367	**4**	-
Current Assets					
Inventories	8	**446**	435	-	-
Trade and other receivables	9	**280**	373	**7,598**	8,711
Other assets	7	**917**	1,278	**9**	7
Cash and cash equivalents	10	**1,747**	4,073	**997**	2,177
		3,390	6,159	**8,604**	10,895
Total assets		**3,815**	7,526	**8,608**	10,895
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	11	**6,878**	4,818	**6,878**	4,818
Reserves	12	**(18,894)**	(9,620)	**(9,339)**	(4,786)
Attributable to equity holders of the Company		**(12,016)**	(4,802)	**(2,461)**	32
Non-controlling interests		**1,038**	1,513	**-**	-
Total equity		**(10,978)**	(3,289)	**(2,461)**	32
Non-Current Liabilities					
Borrowings	13	**-**	150	-	-
Other payables	14	**-**	218	-	-
Lease liabilities	15	**2,988**	-	-	-
Provision	17	**196**	173	-	-
		3,184	541	-	-
Current Liabilities					
Borrowings	13	**-**	43	**-**	-
Trade and other payables	14	**7,711**	7,588	**11,069**	10,863
Lease liabilities	15	**2,041**	-	**-**	-
Contract liabilities	16	**1,679**	2,365	**-**	-
Provision	17	**177**	256	**-**	-
Current tax liabilities		**1**	22	**-**	-
		11,609	10,274	**11,069**	10,863
Total Liabilities		**14,793**	10,815	**11,069**	10,863
Total Equity and Liabilities		**3,815**	7,526	**8,608**	10,895

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	**Year ended 31 March 2020 $'000**	Year ended 31 March 2019 $'000
Revenue	3	**8,791**	8,885
Other operating income	18	**604**	5,100
Purchases and related costs		**(339)**	(637)
Changes in inventories		**(84)**	(63)
Depreciation of plant and equipment	4	**(457)**	(472)
Depreciation of right-of-use asset	5	**(2,020)**	-
Staff costs	19	**(5,760)**	(5,887)
Operating lease expense		**(391)**	(2,564)
Other operating expenses	20	**(9,627)**	(4,458)
Finance costs	21	**(375)**	(106)
Loss before income tax		**(9,658)**	(202)
Income tax credit	22	**25**	-
Loss for the year, net of tax		**(9,633)**	(202)
Other comprehensive loss, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**5**	(323)
Other comprehensive loss for the year, net of tax		**5**	(323)
Total comprehensive loss for the year		**(9,628)**	(525)
Loss attributable to:			
Equity holders of the Company		**(9,158)**	(2,581)
Non-controlling interests		**(475)**	2,379
		(9,633)	(202)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(9,153)**	(2,904)
Non-controlling interests		**(475)**	2,379
		(9,628)	(525)
Loss per share attributable to equity holders of the Company (cents)			
- Basic and diluted loss per share	23	**(5.52)**	(1.58)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Share capital $'000	Merger reserve $'000	Capital reserve $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Total attributable to equity holders of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2018	4,818	(927)	-	7	(5,026)	(1,128)	(1,083)	(2,211)
Loss for the year	-	-	-	-	(2,581)	(2,581)	2,379	(202)
Other comprehensive income								
- Foreign currency translation differences	-	-	-	(323)	-	(323)	-	(323)
Total comprehensive loss for the year	-	-	-	(323)	(2,581)	(2,904)	2,379	(525)
Contributions by and distributions to owners								
Dividend	-	-	-	-	(490)	(490)	-	(490)
Fair value adjustments to interest-free loans from shareholders	-	-	-	-	119	119	-	119
Acquisition of shares of a subsidiary without a change in control (Note 6)	-	-	(399)	-	-	(399)	217	(182)
Total transactions with owners, recognised directly in equity	-	-	(399)	-	(371)	(770)	217	(553)
At 31 March 2019	4,818	(927)	(399)	(316)	(7,978)	(4,802)	1,513	(3,289)
At 1 April 2019	**4,818**	**(927)**	**(399)**	**(316)**	**(7,978)**	**(4,802)**	**1,513**	**(3,289)**
Loss for the year	**-**	**-**	**-**	**-**	**(9,158)**	**(9,158)**	**(475)**	**(9,633)**
Other comprehensive loss								
- Foreign currency translation differences	**-**	**-**	**-**	**5**	**-**	**5**	**-**	**5**
Total comprehensive loss for the year	**-**	**-**	**-**	**5**	**(9,158)**	**(9,153)**	**(475)**	**(9,628)**
Contributions by and distributions to owners								
Issuance of shares	**2,060**	**-**	**-**	**-**	**-**	**2,060**	**-**	**2,060**
Fair value adjustments to interest-free loans from shareholders	**-**	**-**	**-**	**-**	**(121)**	**(121)**	**-**	**(121)**
Total transactions with owners, recognised directly in equity	**2,060**	**-**	**-**	**-**	**(121)**	**1,939**	**-**	**1,939**
At 31 March 2020	**6,878**	**(927)**	**(399)**	**(311)**	**(17,257)**	**(12,016)**	**1,038**	**(10,978)**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	**Year ended 31 March 2020 $'000**	Year ended 31 March 2019 $'000
Cash Flows from Operating Activities			
Loss before taxation		(9,658)	(202)
Adjustments for:			
Depreciation of plant and equipment	4	457	472
Depreciation of right-of-use assets	5	2,020	-
Interest expense	21	375	106
Plant and equipment written off	20	4	-
Gain on disposal of right-of-use assets	5,18	(35)	-
Impairment loss on plant and equipment	4,20	1,462	301
Impairment loss on right-of-use assets	5,20	4,540	-
Gain on disposal of investment property		-	(4,885)
Operating loss before working capital changes		(835)	(4,208)
Change in inventories		(11)	8
Change in trade and other receivables		682	(431)
Change in trade and other payables		(1,145)	(24,076)
Cash used in operations		(1,309)	(28,707)
Income tax refunded/(paid)		5	(174)
Net cash used in operating activities		(1,304)	(28,881)
Cash Flows from Investing Activities			
Acquisition of plant and equipment		(977)	(1,194)
Acquisition of shareholdings in a subsidiary		-	(182)
Proceeds from disposal of investment property		-	64,800
Proceeds from disposal of right-of-use assets		35	-
Net cash (used in)/generated from investing activities		(942)	63,424
Cash Flows from Financing Activities			
Changes in amount due from related parties		(105)	1
Changes in amount due to related parties		157	(244)
Repayment of loans from financial institutions		-	(28,995)
Dividends paid		-	(490)
Proceeds from issuance of ordinary shares	Note 1	2,000	-
Restricted cash used		385	(390)
Interest paid		(266)	(106)
Repayment of lease liabilities		(1,851)	-
Repayment of finance lease liabilities		-	(85)
Repayment of loans from director		(16)	(702)
Repayment of loans from former director		-	(590)
Net cash generated from/(used in) financing activities		304	(31,601)
Net changes in cash and cash equivalents		(1,942)	2,942
Cash and cash equivalents at beginning of year		3,069	127
Cash and cash equivalents at end of year	10	1,127	3,069

Non-cash transaction:
Note 1:

During the financial year ended 31 March 2020, the Company allotted and issued 27,466,666 new ordinary shares at a rate of $0.075 per subscription share amounting to $2,060,000.

(a) 26,666,666 of the shares amounting $2,000,000 were issued to the placement investor and the proceeds were fully satisfied in cash.
(b) 800,000 of the shares amounting to $60,000 were issued as part of the commission shares payable to the sponsor and were settled directly under trade and other payables.

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Reconciliation of movements of liabilities to cash flows arising from financing activities, excluding equity item

	As at 1 April 2018	Cash flows – Principal repayment	Cash flows – Proceeds	Cash flows – interest paid	Non-cash flows –interest expense	As at 31 March 2019
	$'000	$'000	$'000	$'000	$'000	$'000
Finance lease liabilities (Note 13.2)	207	(85)	71	(8)	8	193
Loans from financial institutions (Note 13.1)	28,995	(28,995)	-	(1)	1	-
Loans from directors (Note 14)	742	(702)	-	-	-	40
Loans from former director (Note 14)	2,772	(590)	-	(91)	91	2,182

	As at 1 April 2019 $'000	Reclassification $'000	Adoption of SFRS(I) 16 $'000	New lease $'000	Cash flows - Principal repayment $'000	Cash flows - interest paid $'000	Non-cash flows- interest expense $'000	As at 31 March 2020 $'000
Finance lease liabilities (Note 13.2)	193	-	(193)	-	-	-	-	-
Lease liabilities (Note 2(b) and 15)	-	-	5,310	1,570	(1,851)	(266)	266	5,029
Loans from directors (Note 14)	40	1,349	-	-	(16)	-	121	1,494
Loans from former director (Note 14)	2,182	(170)	-	-	-	-	106	2,118

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 General information

The financial statements of the Company and of the Group for the year ended 31 March 2020 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is incorporated as a limited liability company and domiciled in Singapore and listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office of the Company is located at 183 Thomson Road Goldhill Shopping Centre Singapore 307628 and its principle place of business is located at 26 Tai Seng Street, #07-02 J'Forte, Singapore 534057.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

The ultimate controlling parties of the Company are Suki Sushi Pte. Ltd. (holding company), Mr Lee Boon Leng and Ms Ho Yow Ping (He YouPing).

2(a) Basis of preparation

Going concern

The Group incurred losses and total comprehensive loss of $9,633,000 and $9,628,000 (2019 - $202,000 and $525,000) and reported a net operating cash outflows of $1,304,000 (2019 - $28,881,000) for the financial year ended 31 March 2020. As at 31 March 2020, the Group's current liabilities exceeded its current assets by $8,219,000 (2019 - $4,115,000) and the Group had a deficit in equity of $10,978,000 (2019 - $3,289,000).

As at 31 March 2020, the Company's current liabilities exceeded its current assets by $2,465,000 (2019 - net current asset - $32,000) and the Company had a deficit in equity of $2,461,000 (2019 - surplus in equity - $32,000).

As at 31 March 2020, the Group's current liabilities included contract liabilities related to non-refundable payments received in advance from customers amounting to $1,679,000 (2019 - $2,365,000). Excluding this amount, the Group's current liabilities would be $9,930,000 (2019 - $7,909,000) compared to current assets of $3,390,000 (2019 - $6,159,000) as at 31 March 2020.

Notwithstanding the above, management believes that the Group will have sufficient resources to continue in operation for the foreseeable future, a period of not less than twelve months from the date of the financial statements after taking into consideration the holding company has given an undertaking to provide financial support to the Group for the next 12 months after the date of the auditor's report to operate without any curtailment of operations.

Accordingly, management considers it appropriate that these financial statements are prepared on a going concern basis.

The financial statements are drawn up in accordance with the provisions of the Act and SFRS(I)s including related interpretations promulgated by the Accounting Standards Council ("ASC"), and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

2(a) Basis of preparation (Cont'd)

The preparation of financial statements in conformity with SFRS(I) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 2(d).

The financial statements are presented to the nearest thousand ($'000) in Singapore dollar which is the Company's functional currency. All financial information is presented in Singapore dollar, unless otherwise stated.

2(b) Adoption of new and revised SFRS(I) effective for the current financial year

On 1 January 2019, the Group and the Company have adopted all the new and revised SFRS(I), SFRS(I) interpretations ("SFRS(I) INT") and amendments to SFRS(I), effective for the current financial year that are relevant to them. The adoption of these new and revised SFRS(I) pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods, except as discussed below:

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
SFRS(I) 16	Leases	1 January 2019
SFRS(I) INT 23	Uncertainty over Income Tax Treatments	1 January 2019

<u>SFRS(I) 16 Leases</u>
SFRS(I) 16 Leases supersedes SFRS(I) 1-17 Leases, SFRS(I) INT 4 Determining whether an Arrangement contains a Lease, SFRS(I) INT 1-15 Operating Leases - Incentives and SFRS(I) INT 1-27 Evaluating the Substance of Transactions involving the Legal Form of a Lease, and pronounces new or amended requirements with respect to lease accounting. For lessee accounting, SFRS(I) 16 introduces significant changes by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low-value assets when such recognition exemptions are adopted. For lessor accounting, the requirements have remained largely unchanged. The impact of the adoption of SFRS(I) 16 on the Group's and Company's financial statements are discussed below.

The date of initial application of SFRS(I) 16 for the Group is 1 January 2019. The Group has elected the transition to SFRS(I) 16 using the modified retrospective approach which requires the Group to recognise lease liabilities at the present value of future lease payments using incremental borrowing rate ("IBR") applicable to the lease asset and to recognise right-of-use assets ("ROU") equal to their lease liabilities at the date of initial application, without restatement of comparatives under SFRS(I) 1-17.

2(b) Adoption of new and revised SFRS(I) effective for the current financial year (Cont'd)

SFRS(I) 16 Leases (Cont'd)

a) Definition of a lease
The new definition of a lease under SFRS(I) 16 mainly relates to the concept of 'control' that determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration, which is in contrast to the concept of 'risks and rewards' under SFRS(I) 1-17.

The Group has elected to apply the practical expedient available on transition to SFRS(I) 16 not to reassess whether a contract is, or contains, a lease. Accordingly, the superseded definition of a lease under SFRS(I) 1-17 continues to be applied to those leases entered into, or modified, before 1 January 2019, and the Group applies the new definition of a lease and related guidance set out in SFRS(I) 16 only to those lease contracts entered into, or modified, on or after 1 January 2019. After the transition to SFRS(I) 16, the Group shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

The new requirements for identifying a lease under SFRS(I) 16 do not change significantly the scope of contracts that will meet the definition of a lease for the Group.

b) Lessee accounting
Former operating leases
Before the adoption of SFRS(I) 16, the Group's non-cancellable operating lease payments in future reporting periods for office premises and service outlets were not recognised as liabilities in the statements of financial position but were disclosed as commitments in the notes to the financial statements, and these lease payments were reported as operating lease expenses in profit or loss over the lease term on a straight-line basis and presented under operating activities in the consolidated statement of cash flows. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities in the statements of financial position for these outstanding lease payments, reports depreciation of right-of-use assets and interest expense on lease liabilities in profit or loss, and presents these lease payments as principal repayment and interest paid separately under financing activities in the consolidated statement of cash flows.

The Group has elected, as a practical expedient of SFRS(I) 16, not to separate non-lease components from lease components for all classes of underlying assets and instead account for each lease component and any associated non-lease components as a single lease component, except if the non-lease component is an embedded derivative according to SFRS(I) 9.

For short-term leases and leases of low-value assets, the Group has elected for exemption under SFRS(I) 16 from recognising their right-of-use assets and lease liabilities, and to report their lease expenses in profit or loss on a straight-line basis.

On 1 January 2019, the Group has applied the following SFRS(I) 16 transition provisions under the modified retrospective approach for each lease, formerly classified as operating lease under SFRS(I) 1-17:

- recognises a lease liability at the present value of the remaining lease payments using the lessee's incremental borrowing rate for the underlying lease asset;
- recognises a right-of-use asset, on a lease-by-lease basis:
  - for the use of office premise and service outlets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statements of financial position immediately before the date of initial application; and
- applies SFRS(I) 1-36 *Impairment of Assets* to perform an impairment review of the right-of-use asset.

2(b) Adoption of new and revised SFRS(I) effective for the current financial year (Cont'd)

SFRS(I) 16 Leases (Cont'd)

b) Lessee accounting (Cont'd)

Former operating leases (Cont'd)

The Group has adopted the following SFRS(I) 16 practical expedients when applying the modified retrospective transition approach to leases formerly classified as operating lease under SFRS(I) 1-17:

- elects not to recognise the right-of-use asset and lease liability for a lease with lease term ending within twelve months of the date of initial application;
- excludes initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- uses hindsight for determining the lease term when the contract contains options to extend or terminate the lease.

c) Deferred tax effects on adoption of SFRS(I) 16

In certain jurisdictions that the Group operates in, tax deductions are available only for the lease payments as they are paid, and no tax deduction is allowed for the leased asset depreciation or finance cost. On 1 January 2019, these tax circumstances give rise to temporary differences on initial recognition of both the right-of-use asset and lease liability. However, the deferred tax effects for these temporary differences, either initially or over the lease term, are not recognised due to application of the initial recognition exemption in SFRS(I) 1-12 Income Taxes, that explicitly excludes recognising the deferred tax effects arising from initial recognition of an asset or liability in a transaction which, at the time of the transaction, affects neither accounting profit nor taxable profit.

In the other jurisdictions, where tax deductions are received in respect of the right-of-use asset (i.e. depreciation allowance) and the lease liability (i.e. deduction for finance cost) in a manner consistent with the accounting treatment, and there is no difference between the accounting and tax depreciation rates, no temporary differences arise from recognition of the right-of-use asset and lease liability.

d) Financial impact of initial application of SFRS(I) 16

The Group's and the Company's weighted average incremental borrowing rate applied to measure the Group's and the Company's lease liabilities recognised in the statements of financial position on 1 April 2019 is 5.25%.

A reconciliation of the differences between the Group's operating lease commitments previously disclosed in the financial statements as at 31 March 2019 and the Group's lease liabilities recognised in the consolidated statement of financial position on 1 April 2019 is as follows:

	The Group
	$'000
Operating lease commitments disclosed at 31 March 2019	3,960
(Less)/Add effects of:	
Short-term leases exempted from recognition	(404)
New lease	2,124
Discounting using incremental borrowing rate as at 1 April 2019	(563)
Obligations under finance lease at 31 March 2019 reclassified to lease liabilities	193
Lease liabilities recognised on 1 April 2019	5,310

2(b) Adoption of new and revised SFRS(I) effective for the current financial year (Cont'd)

SFRS(I) 16 Leases (Cont'd)

d) Financial impact of initial application of SFRS(I) 16 (Cont'd)
The effects of adoption of SFRS(I) 16 on the Group's and the Company's financial statements as at 1 April 2019 are as follows:

	The Group Increase/ (Decrease) $'000
Non-Current assets	
Right-of-use asset	5,298
Liabilities	
Lease liabilities	5,310

There is no impact to the opening retained earnings as of 1 April 2019.

SFRS(I) INT 23 Uncertainty over Income Tax Treatments
The Group has adopted SFRS(I) INT 23 for the first time in the current year. SFRS(I) INT 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Group to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings, as follows:
- if yes, the Group should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings; or
- if no, the Group should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

There is no material impact to the Group's and the Company's financial statements.

2(c) New and revised SFRS(I) in issue but not yet effective

The following are the new or amended SFRS(I) and SFRS(I) INT issued in 2019 that are not yet effective but may be early adopted for the current financial year:

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
Amendments to SFRS(I) 3	Definition of a Business	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	Definition of Material	1 January 2020

2(c) New and revised SFRS(I) in issue but not yet effective (Cont'd)

Amendments to SFRS(I) 3 Definition of a Business
On 11 March 2019, ASC issued the narrow-scope amendments to SFRS(I) 3 Business Combinations to improve the definition of a business. The amendments narrowed and clarified the definition of a business.

They also permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets.

The amendments to SFRS(I) 3 should apply for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning or after 1 January 2020, with earlier application permitted.

The Group is currently assessing the impact to its consolidated financial statements.

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 Definition of Material
The amendments are intended to make the definition of 'material' in SFRS(I) 1-1 easier to understand and are not intended to alter the underlying concept of materiality in SFRS(I). The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of 'material' in SFRS(I) 1-8 has been replaced by a reference to the definition of 'material' in SFRS(I) 1-1. In addition, the other SFRS(I) and the Conceptual Framework, which contain a definition of 'material' or refer to the term 'material', have been updated to ensure consistency.

The amendments to SFRS(I) 1-1 and SFRS(I) 1-8 are required to be applied for annual periods beginning on or after 1 January 2020. The amendments must be applied prospectively and earlier application is permitted.

The Group is currently assessing the impact to its consolidated financial statements.

2(d) Significant accounting estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

2(d) Significant accounting estimates and judgements (Cont'd)

Significant judgements in applying accounting policies

Income tax (Note 22)

The Group has exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. For leases of office premises and service outlets, the Group considers factors including historical lease durations and the costs and business disruption required to replace the leased asset.

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Determination of operating segments

Management will first identify the Chief Operating Decision Maker ("CODM"). Then it should identify their business activities (which may not necessarily earn revenue or incur expenses). Management will further determine whether discrete financial information is available for the business activities and whether that information is regularly reviewed by the CODM. Judgement is applied by management of the aggregation criteria to operating segments.

Critical accounting estimates and assumptions used in applying accounting policies

Valuation of loans from director and a former director

The determination of fair value of interest-free loans from director and a former director at inception requires the Group to make assumptions and estimates regarding the discount. If the discount rate increases/decreases by 2%, the Group's loss for the year will increase/decrease by $Nil (2019 - $69,200).

2(d) Significant accounting estimates and judgements (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

Allowance for expected credit loss ("ECL") of trade and other receivables (Note 9)
The Group and the Company apply the simplified approach and the 3-stage general approach to determine ECL respectively for trade and other receivables and non-trade amounts due from subsidiaries. ECL is measured as an allowance equal to 12-month ECL for stage-1 assets, or lifetime ECL for stage-2 or stage-3 assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider reasonable and supportable qualitative and quantitative forward-looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within twelve months after the reporting date. The carrying amounts of trade and other receivables are disclosed in Note 9 to the financial statements.

Depreciation of plant and equipment and right-of-use assets (Notes 4 and 5)
As described in Note 2(e), the Group reviews the estimated useful lives of plant and equipment and right-of-use assets at the end of each annual reporting period. Changes in the expected level and future usage can impact the economic useful lives of these assets with consequential impact on the future depreciation charge. If depreciation on the Group's plant and equipment increases/decreases by 10% from management's estimates, the Group's results for the year will decrease/increase by $45,700 (2019 - $47,200). If depreciation on the Group's right-of-use assets increases/decreases by 10% from management's estimates, the Group's results for the year will decrease/increase by $202,000 (2019 - $Nil). The carrying amounts of plant and equipment and right-of-use assets are disclosed in Notes 4 and 5, respectively.

Impairment of plant and equipment and right-of-use assets (Notes 4 and 5)
The carrying amounts of the plant and equipment and right-of-use assets are reviewed at the end of each reporting period to determine whether there is any indication that those plant and equipment and right-of-use assets have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated. The carrying amount is reduced to the estimated recoverable amount, if lower.

The recoverable amounts of these assets and, where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit (or group of cash-generating units) and also to use many estimates and assumptions such as future market growth, forecast revenue and costs, useful lives of utilisation of the assets, discount rates and other factors.

A decrease of 5% (2019 - 5%) in the value-in-use of the Group's plant and equipment would have decreased the Group's profit by $5,850 (2019 - $62,200). A decrease of 5% (2019 - $Nil) in the value-in-use of the Group's right-of-use assets would have decreased the Group's profit by $15,400 (2019 - $Nil). The carrying amounts of plant and equipment and right-of-use assets are disclosed in Notes 4 and 5, respectively.

2(d) Significant accounting estimates and judgements (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

Impairment of investments in subsidiaries (Note 6)
Determining whether investments in subsidiaries are impaired requires an estimation of the value-in-use of the investments. The value-in-use calculation requires the Company to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

At the reporting date, the carrying amounts of investments in subsidiaries are $Nil (2019 - $Nil). Management has evaluated the recoverability of the investment based on such estimates. If the present value of estimated future cash flows decreases by 10% (2019 - 10%) from management's estimates, the Company's allowance for impairment of investments in subsidiaries will increase by $Nil (2019 - $Nil). The carrying amount of the Company's amounts due from subsidiaries is disclosed in Note 6 to the financial statements.

Allowance for inventory obsolescence (Note 8)
The Group reviews the ageing analysis of inventories at each reporting date and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The net realisable value for such inventories are estimated based primarily on the latest invoice prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories.

If the net realisable values of the inventory decrease/ increase by 10% (2019 - 10%) from management's estimates, the Group's profit will decrease/ increase by $44,600 (2019 - $43,500). The carrying amounts of the Group's and the Company's inventory are disclosed in Note 8 to the financial statements.

Estimation of the incremental borrowing rate ("IBR")
For the purpose of calculating the right-of-use asset and lease liability, an entity applies the interest rate implicit in the lease ("IRIIL") and, if the IRIIL is not readily determinable, the entity uses its IBR applicable to the leased asset. The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases whereby the Group is the lessee, the IRIIL is not readily determinable. Therefore, the Group estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as a group entity's credit rating). The carrying amounts of the Group's right-of-use assets and lease liabilities are disclosed in Notes 5 and 15, respectively.

Provision of reinstatement cost (Note 17)
Provision relates to estimated costs of dismantlement, removal or reinstatement of plant and equipment arising from the acquisition or use of assets.

The Group has recognised a provision for reinstatement of rental properties obligations associated with properties rented by the Company. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove equipment from the site and the expected timing of those costs. The carrying amount of the provision as at 31 March 2020 was $373,000 (2019 - $429,000). If the estimated pre-tax discount rate used in the calculation had been 1% higher than the management's estimates, the carrying amount of the provision would have been lower by $3,730 (2019 - $4,290).

2(e) Summary of significant accounting policies

Consolidation

(i) Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and investees (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company or its subsidiary:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company or its subsidiary reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company or its subsidiary has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company or its subsidiary considers all relevant facts and circumstances in assessing whether or not the Company's or its subsidiary's voting rights in an investee are sufficient to give it power, including:
- size of the Company's or its subsidiary's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company or its subsidiary, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances which indicate that the Company or its subsidiary has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company or its subsidiary obtains control over the subsidiary or investee and ceases when the Company or its subsidiary loses control of the subsidiary or investee. Specifically, income and expenses of a subsidiary or an investee acquired or disposed during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company or its subsidiary gains control until the date when the Company or its subsidiary ceases to control the subsidiary or investee.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries and investees are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries or investees to bring their accounting policies in line with the Group's accounting policies.

(ii) Changes in the Group's ownership interests in existing subsidiaries
Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

2(e) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

(ii) Changes in the Group's ownership interests in existing subsidiaries (Cont'd)
When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary, and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate.

Business combinations
Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date on which the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 Income Taxes and SFRS(I) 1-19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 Share-based Payment at the acquisition date; and
- disposal groups that are classified as held for sale in accordance with SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

2(e) Summary of significant accounting policies (Cont'd)

Business combinations (Cont'd)
Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

Goodwill
Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill arising from acquisition of associates represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associates is included in the carrying amount of the investments.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, or an associate, the attributable amount of goodwill is included in the determination of the gain or loss on disposal of the entity or the relevant cash generating unit.

2(e) Summary of significant accounting policies (Cont'd)

Plant and equipment
Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Motor vehicles	5 years
Beauty, slimming and spa equipment	4 to 12 years
Renovations	5 years
Furniture and office equipment	2 to 5 years

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal, respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

Investment in subsidiaries
Subsidiaries are entities controlled by the Company. In the Company's separate statement of financial position, subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement
Financial assets are recognised when, only when the entity becomes party to the contractual provisions of the instruments.

2(e) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Initial recognition and measurement (Cont'd)
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to expected credit loss assessment. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired, and through the amortisation process.

The Group's financial assets at amortised cost include trade and other receivables, excluding prepayments and GST receivables.

2(e) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Fair value through other comprehensive income (debt instruments)
Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through OCI ("FVOCI"). Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

The Group and the Company do not have any investments in fair value through other comprehensive income (debt instruments).

Financial assets designated at fair value through OCI (equity instruments)
On initial recognition of an equity instruments that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument-by instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company did not elect to classify irrevocably its non-quoted equity investments under this category.

Financial assets at fair value through profit and loss
Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss statement in the period in which it arises. Interest income from these financial assets is included in the finance income.

2(e) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Financial assets at fair value through profit and loss (Cont'd)
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investment which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity instruments are also recognised as other income in the statement of comprehensive income when the right of payment has been established.

The Group and the Company do not hold any financial assets at fair value through profit or loss.

Derecognition
A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:
- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group assesses on a forward-looking basis, the expected credit losses ("ECL") associated with its financial assets carried at amortised cost. For trade and other receivables, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables and contract assets. The Group applies the general approach of 12-month ECL at initial recognition for all other financial assets. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2(e) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Impairment of financial assets (Cont'd)
ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group measures loss allowance at an amount equal to the lifetime expected credit losses as at the reporting date. The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. A provision matrix is established based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are long past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery (e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings), or in the case of loans and advances, when the amounts are long past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2(e) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(b) Financial liabilities

Initial recognition and measurement
All financial liabilities are initially recognised at fair value plus, in the case of a financial liability not at FVPL, transaction costs that are directly attributable to the issue of the financial liability, and are subsequently measured at amortised cost using the effective interest method or at FVPL. The Company's and the Group's financial liabilities include borrowings, lease liabilities, trade and other payables, excluding contract liabilities.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SFRS(I) 9. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss when the changes arise.

The Group and the Company do not have financial liabilities at fair value through profit or loss.

Financial liabilities at amortised cost
After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the statement of comprehensive income over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of borrowing using the effective interest method.

Borrowings which are due to be settled within 12 months after the reporting date are included in current borrowings in the statement of financial position even though the original terms were for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date. Other borrowings due to be settled more than 12 months after the reporting date are included in non-current borrowings in the statement of financial position

2(e) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(b) Financial liabilities (Cont'd)

Derecognition
The Group de-recognises a financial liability when its becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in the statement of comprehensive income. Financial liabilities are de-recognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are de-recognised as well as through the amortisation process.

Inventories
Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for at purchased costs on a weighted average basis. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of the inventories to the lower of cost and net realisable value.

Provision is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and bank deposits with financial institutions which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude restricted cash and fixed deposits pledged and are presented net of bank overdraft which is repayable on demand and which forms an integral part of cash management.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

2(e) Summary of significant accounting policies (Cont'd)

Provisions (Cont'd)
Provision for reinstatement cost
The provision for reinstatement cost arose from the restoration work upon expiry of the lease of premise. The Group recognises the estimated costs of dismantlement, removal or restoration of items of plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

Dividends
Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profit, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the articles of constitution of the Group grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Leases (from 1 January 2019)

(i) The Group as lessee
The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(a) Lease liability
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:
- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantee;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

2(e) Summary of significant accounting policies (Cont'd)

Leases (from 1 January 2019) (Cont'd)

(a) Lease liability (Cont'd)

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:
- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

(b) Right-of-use asset
The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Retail outlets	2 to 6 years
Motor vehicles	5 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

2(e) Summary of significant accounting policies (Cont'd)

Leases (from 1 January 2019) (Cont'd)

(b) Right-of-use asset (Cont'd)
The right-of-use assets are presented as a separate line item in the consolidated statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

(c) Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of office premises and service outlets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Leases (before 1 January 2019)

The Group as lessee
(a) Operating lease
Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease. Contingent rents are recognised as an expense in profit or loss when incurred.

(b) Finance lease
Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statement of financial position as plant and equipment and borrowings, respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the interest expense and the reduction of the outstanding lease liability. The interest expense is recognised within "finance costs" in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

Income taxes
Income tax expense represents the sum of the income tax currently payable and deferred income tax.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

2(e) Summary of significant accounting policies (Cont'd)

Income taxes (Cont'd)
A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:
(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income tax are recognised as income or expense in the statement of comprehensive income, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Employee benefits
Short-term employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined contribution plans
Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Employee leave entitlements
Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the reporting date.

Key management personnel
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain management are considered key management personnel.

2(e) Summary of significant accounting policies (Cont'd)

Related parties
A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:
- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Group or the Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:
- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Impairment of non-financial assets
The carrying amounts of the Group's and the Company's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets' or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

2(e) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)
Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss, except for goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decrease.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of the reporting period.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Group transfers good or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Revenue recognition
Revenue for the Group comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of business, net of goods and services tax, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

<u>Sale of goods</u>
Revenue on the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer. Revenue is not recognised to the extent that there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

<u>Beauty, slimming and spa service treatments</u>
Revenue from beauty, slimming and spa treatments is recognised when services are rendered. Billed amounts for services which have not been rendered as at the end of the reporting period is recognised as deferred revenue and included in trade and other payables.

<u>Interest income</u>
Interest income is recognised as it accrues in profit or loss, using the effective interest method.

2(e) Summary of significant accounting policies (Cont'd)

Government grants
Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the asset.

Functional and presentation currency
Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore dollar, which is also the functional currency of the Company.

Conversion of foreign currencies
Transactions and balances
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions.

Translation of Group entities' financial statements
The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing exchange rates at the end of the reporting period;
- Income and expenses for each statement presenting profit and loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the accumulated exchange differences in respect of that foreign operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

Operating segments
For management purposes, operating segments are organised based on their services which are independently managed by the respective segment managers (i.e. specialist medical practitioners) responsible for the performance of the respective segments under their charge. The segment managers are directly accountable to the Chief Executive Officer ("CEO") who regularly reviews the segment results in order to allocate resources to the segments and to assess segment performance.

2(e) Summary of significant accounting policies (Cont'd)

Earnings per share
Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares.

3 Revenue

Revenue for the Group represents net invoiced trading sales excluding inter-Group transactions and applicable goods and services tax.

	2020			2019		
The Group	**At a point in time $'000**	**Over time $'000**	**Total $'000**	At a point in time $'000	Over time $'000	Total $'000
Singapore						
Sale of goods	**3,843**	**-**	**3,843**	4,466	-	4,466
Beauty, slimming and spa service treatments	**-**	**3,336**	**3,336**	-	2,943	2,943
Malaysia						
Sale of goods	**102**	**-**	**102**	63	-	63
Beauty, slimming and spa service treatments	**-**	**1,500**	**1,500**	-	1,413	1,413
Taiwan						
Sale of goods	**10**	**-**	**10**	-	-	-
	3,955	**4,836**	**8,791**	4,529	4,356	8,885

4 Plant and equipment

The Group	Motor vehicles $'000	Beauty, slimming and spa equipment $'000	Renovations $'000	Furniture and office equipment $'000	Total $'000
Cost					
At 1 April 2018	529	4,260	4,774	2,396	11,959
Additions	119	426	639	81	1,265
Disposal	(97)	-	(118)	-	(215)
Exchange differences	-	(6)	46	(26)	14
At 31 March 2019	551	4,680	5,341	2,451	13,023
Adoption of SFRS(I) 16 - Reclassification to right-of-use assets	**(551)**	**-**	**-**	**-**	**(551)**
At 1 April 2019, as adjusted	**-**	**4,680**	**5,341**	**2,451**	**12,472**
Additions	**-**	**314**	**604**	**59**	**977**
Written off	**-**	**(3,402)**	**(3,497)**	**(2,034)**	**(8,933)**
Exchange differences	**-**	**(2)**	**(8)**	**(1)**	**(11)**
At 31 March 2020	**-**	**1,590**	**2,440**	**475**	**4,505**
Accumulated depreciation/ impairment losses					
At 1 April 2018	357	3,931	4,739	2,274	11,301
Depreciation for the year	65	181	125	101	472
Disposal	(55)	-	(163)	-	(218)
Impairment losses recognised	-	290	-	11	301
Exchange differences	3	(32)	(11)	(37)	(77)
At 31 March 2019	370	4,370	4,690	2,349	11,779
Adoption of SFRS(I) 16 - Reclassification to right-of-use assets	**(370)**	**-**	**-**	**-**	**(370)**
At 1 April 2019, as adjusted	**-**	**4,370**	**4,690**	**2,349**	**11,409**
Depreciation for the year	**-**	**120**	**273**	**64**	**457**
Written off	**-**	**(3,402)**	**(3,476)**	**(2,016)**	**(8,894)**
Impairment losses recognised	**-**	**417**	**973**	**72**	**1,462**
Reversal of impairment losses written off	**-**	**-**	**(18)**	**(17)**	**(35)**
Exchange differences	**-**	**(2)**	**(8)**	**(1)**	**(11)**
At 31 March 2020	**-**	**1,503**	**2,434**	**451**	**4,388**
Net book value					
At 31 March 2020	**-**	**87**	**6**	**24**	**117**
At 31 March 2019	181	310	651	102	1,244

4 Plant and equipment (Cont'd)

The Company	Furniture and office equipment $'000
Cost	
At 1 April 2018 and 31 March 2019	1
Additions	**6**
At 31 March 2020	**7**
Accumulated depreciation	
At 1 April 2018 and 31 March 2019	1
Additions	**2**
At 31 March 2020	**3**
Net book value	
At 31 March 2020	**4**
At 31 March 2019	-

(a) The carrying amount of motor vehicles held under finance lease arrangements (Note 13.2) for the Group as at 31 March 2020 amounted to $Nil (2019 - $114,840).

(b) During the financial year, the Group acquired plant and equipment with an aggregate cost of $977,000 (2019 - $1,265,000) of which $Nil (2019 - $70,680) was acquired by way of finance lease arrangement and $977,000 (2019 - $1,194,320) by cash. Additions to renovations include provision for reinstatement cost amounting to $Nil (2019 - $30,662) (Note 17).

Impairment tests for plant and equipment, right-of-use assets and investments in subsidiaries
For the financial year ended 31 March 2020, management of the Group had carried out an impairment assessment over the plant and equipment, right-of-use assets and investments in subsidiaries and identified the following significant cash generating units ("CGUs"). These were considered to have indications of possible impairment issues at 31 March 2020 and 2019 as they were in a loss-making position for the past few years.

Impairment testing of plant and equipment and right-of-use assets
As at 31 March 2020, the carrying amounts of the Group's and the Company's plant and equipment amounted to $117,000 (2019 - $1,244,000) and $4,000 (2019 - $Nil), respectively. As at 31 March 2020, the carrying amount of the Group's right-of-use assets amounted to $308,000 (2019 - $5,298,000).

For the financial year ended 31 March 2020 and 2019, the Group has identified that there are triggers of impairment for:

- The Singapore and overseas subsidiaries as they were in a net deficit position.
- The Company as it was having accumulated losses and incurred losses for the year.

The recoverable amounts of the plant and equipment and right-of-use assets were based on the higher of fair value less costs to sell and value-in-use. The fair value less cost to sell is determined based on the fair values of each of the identified assets and liabilities of each CGU. The non-current assets approximated to their fair values based on market quotes for the vehicles. In the financial year ended 31 March 2020, the recoverable amount is assessed to be lower than the carrying amount and management has concluded that there is impairment.

4 Plant and equipment (Cont'd)

Impairment tests for plant and equipment, right-of-use assets and investments in subsidiaries (Cont'd)

Impairment testing of plant and equipment and right-of-use assets (Cont'd)
As a result of that test, the Group determined that the carrying values of certain of its assets exceeded their recoverable amounts at the reporting date and recorded impairment losses on plant and equipment and right-of-use assets of $1,462,000 and $4,540,000 for the year ended 31 March 2020 (2019 - $301,000 and $Nil), respectively.

Impairment testing of investments in subsidiaries
As at 31 March 2020, the carrying amount of the investment in subsidiaries amounted to $Nil (2019 - $Nil). During the financial year, management carried out a review of the recoverable amount of its subsidiaries and recognised an impairment loss of $Nil (2019: $265,000) in respect of a subsidiary with recurring losses and a deficit in shareholder's equity.

As at 31 March 2019 and 2020, the recoverable amount of subsidiaries was determined based on the higher of fair value less cost to sell and value-in-use. The fair value less cost to sell was determined based on the financials of the subsidiaries which comprised mainly cash balances, trade and other receivables and trade and other payables which were current and approximated fair value at year end. Based on the impairment testing in 2019, a full impairment loss of S$4,258,000 was recorded as at 31 March 2019.

During the financial year ended 31 March 2020, the subsidiaries were also having the same impairment indicators and there were no indications these impairment losses can be reversed to profit or loss at the reporting date.

5 Right-of-use assets

The Group	Retail outlets $'000	Motor vehicle $'000	Total $'000
Cost			
Adoption of SFRS(I) 16:			
Initial recognition at 1 April 2019	**5,117**	**-**	**5,117**
- Reclassification from plant and equipment	**-**	**551**	**551**
At 1 April 2019	**5,117**	**551**	**5,668**
Additions	**1,571**	**-**	**1,571**
Disposal	**-**	**(183)**	**(183)**
Written off	**-**	**(131)**	**(131)**
At 31 March 2020	**6,688**	**237**	**6,925**
Accumulated depreciation			
Adoption of SFRS(I) 16:			
- Initial recognition at 1 April 2019	**-**	**-**	**-**
- Reclassification from plant and equipment	**-**	**370**	**370**
At 1 April 2019	**-**	**370**	**370**
Depreciation for the year	**1,959**	**61**	**2,020**
Disposal	**-**	**(183)**	**(183)**
Written off	**-**	**(131)**	**(131)**
Impairment losses recognised	**4,540**	**-**	**4,540**
Exchange differences	**1**	**-**	**1**
At 31 March 2020	**6,500**	**117**	**6,617**
Carrying amount			
At 31 March 2020	**188**	**120**	**308**
At 1 April 2019	5,117	181	5,298

5 Right-of-use assets (Cont'd)

Information about the Group's leasing activities are disclosed in Note 24.

As at 31 March 2020, the carrying amount of motor vehicles held under lease liabilities for the Group as at 31 March 2020 amounted to $120,000 (2019 - $Nil).

There were impairment indicators for the Group's right of use assets. Refer to Note 4 for the impairment assessment on plant and equipment and right-of-use assets.

6 Subsidiaries

The Company	**31 March 2020 $'000**	31 March 2019 $'000
Unquoted equity investments, at cost		
At beginning and end of year	**4,258**	4,258
Allowance for impairment losses		
At beginning of year	**(4,258)**	(3,993)
Allowance made	**-**	(265)
At end of year	**(4,258)**	(4,258)
Carrying amount	**-**	-

There were impairment indicators for the investment in subsidiaries. Refer to Note 4 for the impairment assessment on investments in subsidiaries.

Details of investments in subsidiaries are as follows:

Name	Country incorporation/ principal place of business	Attributable to equity interest of the Group		Principal activities
		2020 %	2019 %	
Held by the Group				
Mary Chia Beauty & Slimming Specialist Pte Ltd [(1)]	Singapore	**100%**	100%	Provision of lifestyle and wellness treatment services
Mary Chia Beauty & Slimming Specialist (Orchard) Pte. Ltd. [(1)]	Singapore	**100%**	100%	Provision of lifestyle and wellness treatment services
Urban Homme Face and Body Studio For Men Pte. Ltd.[(1)]	Singapore	**100%**	100%	Provision of lifestyle and wellness treatment services for men
Spa Menu Pte. Ltd.[(1)]	Singapore	**100%**	100%	Provision of lifestyle and wellness treatment services and retailing of lifestyle and wellness products
Organica International Holdings Pte. Ltd. [(1)]	Singapore	**100%**	100%	Direct selling of skincare and health supplements
Hotel Culture Pte. Ltd. [(1)]	Singapore	**51%**	51%	Investment holding
MCU Trading Pte. Ltd. [(1)]	Singapore	**100%**	100%	General wholesale trading
MCU Holdings Sdn. Bhd. [(2)]	Malaysia	**100%**	100%	Provision of lifestyle and wellness treatment services

6 Subsidiaries (Cont'd)

Name	Country of incorporation/ principal place of business	Attributable to equity interest of the Group		Principal activities
		2020	2019	
		%	%	
Held by Mary Chia Beauty & Slimming Specialist Pte. Ltd				
Scinn Pte Ltd [(1)]	Singapore	**100%**	100%	Clinic and other general medical services
MSB Beauty Pte Ltd [(5)]	Singapore	**51%**	51%	Provision of lifestyle and wellness treatment services
Held by Organica International Holdings Pte Ltd				
Organica International (M) Sdn. Bhd. [(2)]	Malaysia	**100%**	100%	Direct selling of skincare and health supplements
Organica Taiwan Branch [(4)]	Taiwan	**100%**	100%	Direct selling of skincare and health supplements
Held by MCU Trading Pte Ltd				
Yue You International Trading (Shanghai) Co. Ltd [(3)]	China	**100%**	100%	General wholesale trading
Held by MCU Holdings Sdn. Bhd.				
MCU Beautitudes Sdn Bhd [(2)]	Malaysia	**100%**	100%	Provision of lifestyle and wellness treatment services

(1) Audited by Foo Kon Tan LLP, principal member firm of HLB International in Singapore.
(2) Audited by HLB Ler Lum, member firm of HLB International in Malaysia.
(3) Audited by Foo Kon Tan LLP for consolidation purposes
(4) Audited by HLB Candor Taiwan CPAs, member firm of HLB International in Taiwan.
(5) Not required to be audited as it is under liquidation.

Summarised financial information in respect of Group subsidiaries that have a material non-controlling interest (NCI) is set out below:

Name of subsidiary	Country of incorporation/ principal place of business	Proportion of ownership interests and voting rights held by non-controlling interest		Profit/(Loss) allocated to non-controlling interest		Accumulated non-controlling interest	
		2020	2019	**FY2020**	FY2019	**2020**	2019
				$'000	$'000	**$'000**	$'000
Hotel Culture Pte. Ltd	Singapore	49%	49%	**(475)**	2,379	**1,091**	1,566
MSB Beauty Pte. Ltd	Singapore	49%	49%	**-**	-	**(53)**	(53)
				(475)	2,379	**1,038**	1,513

6 Subsidiaries (Cont'd)

Summarised financial information, before inter-company eliminations, in respect of Group's subsidiaries that have a material non-controlling interest (NCI) is set out below.

	Hotel Culture Pte Ltd	
	2020	2019
	$'000	$'000
Summarised statement of comprehensive income		
Revenue	**-**	-
(Loss)/Profit for the year and total comprehensive (loss)/income	**(969)**	4,856
(Loss)/Profit for the year representing total comprehensive income		
- attributable to equity holders of the Group	**(494)**	2,477
- attributable to NCI	**(475)**	2,379
	(969)	4,856
Summarised statement of financial position		
Current		
Assets	**12,633**	14,334
Liabilities	**(16,288)**	(16,314)
Net current liabilities	**(3,655)**	(1,980)
Non-Current		
Assets	**-**	-
Liabilities	**-**	-
Net non-current assets/(liabilities)	**-**	-
Equity		
Equity attributable to equity holders of the Group	**(4,746)**	(3,546)
Non-controlling interest	**1,901**	1,566
	(3,655)	(1,980)
Other summarised information		
Cash flows from operating activities	**(41)**	(35,458)
Cash flows from investing activities	**-**	64,800
Cash flows from financing activities	**(391)**	(28,913)
Net (decrease)/increase in cash and cash equivalents	**(432)**	429

** denotes amount less than $1,000*

Acquisition of non-controlling interests
The following schedule shows the effects of changes in the Group's ownership interest in a subsidiary; SCINN that did not result in change of control, on the equity attributable to owners of the parent.

	2020	2019
	$'000	$'000
Amount paid on changes in ownership interest in a subsidiary	**-**	(182)
Non-controlling interest acquired	**-**	(217)
Difference recognised in capital reserves	**-**	(399)

In the financial year ended 31 March 2019, the Group acquired an additional 225,000 new ordinary shares issued by SCINN and increased its equity ownership in the subsidiary from 70% to 100%. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. The decrease in the NCI share of $399,000 is charged to capital reserve.

7 Other assets

	The Group		The Company	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Current				
Prepayments	**54**	488	**9**	7
Deposits	**770**	790	**-**	-
Advance to suppliers	**93**	-	**-**	-
	917	1,278	**9**	7
Non-current				
Deposits	**-**	123	**-**	-

Deposits relate to rental deposits paid for the Group's offices and service outlets.

8 Inventories

	The Group	
	31 March 2020 $'000	31 March 2019 $'000
Products held for sale, at cost	**446**	435

The carrying amount of inventories sold and recognised as an expense in the consolidated statement of comprehensive income was $339,000 (2019 - $637,000) for the financial year ended 31 March 2020.

As at 31 March 2020, the inventories amounting to $47,000 (2019 - $Nil) were written off to profit or loss.

9 Trade and other receivables

	The Group		The Company	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Trade receivables	**120**	304	**2**	2
Allowance for impairment losses	**(43)**	(167)	**-**	-
	77	137	**2**	2
Other receivables:				
Amounts due from related parties (non-trade)	**147**	42	**14**	-
GST receivables	**28**	15	**12**	2
Amounts due from subsidiaries (non-trade)	**-**	-	**28,541**	26,799
Sundry receivables	**30**	179	**-**	2
	205	236	**28,567**	26,803
Allowance for impairment losses	**(2)**	-	**(20,971)**	(18,094)
	203	236	**7,596**	8,709
	280	373	**7,598**	8,711

9 Trade and other receivables (Cont'd)

The movement in allowance for impairment losses in respect of receivables is as follows:

	The Group		The Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
At 1 April	**167**	253	**18,094**	4,658
Allowance made	**24**	167	**2,877**	13,436
Reversal of impairment during the year	**-**	(253)	**-**	-
Utilisation of impairment	**(146)**	-	-	-
At 31 March	**45**	167	**20,971**	18,094
Trade receivables	**43**	167	**-**	-
Other receivables	**2**	-	**20,971**	18,094
	45	167	**20,971**	18,094

Amounts due from related parties are companies owned by the shareholders, holding company and a director. The balances are non-trade in nature, unsecured, interest-free and repayable on demand.

Receivables that have been determined to be impaired at the end of the reporting period relate to debtors that are in financial difficulties or have defaulted on payments. These trade receivables are not secured by any collateral or credit enhancements.

During the year ended 31 March 2020, the Company has assessed and decided to impair the amount due from subsidiaries of $2,877,000 (2019 - $13,436,000) as these balances are not recoverable.

Trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Singapore dollar	**250**	310	**7,598**	8,711
Malaysian ringgit	**5**	63	**-**	-
Taiwan dollar	**25**	-	**-**	
	280	373	**7,598**	8,711

The credit risk for trade and other receivables based on the information provided to key management is as follows:

	31 March	31 March
	2020	2019
The Group	**$'000**	$'000
<u>By geographical area</u>		
Singapore	**250**	310
Malaysia	**5**	63
Taiwan	**25**	-
	280	373

9 Trade and other receivables (Cont'd)

The Company	**31 March 2020 $'000**	31 March 2019 $'000
By geographical area		
Singapore	**7,598**	8,711
	7,598	8,711

The ageing analysis of trade receivables is as follows:

The Group	**Gross 2020 $'000**	**Impairment losses 2020 $'000**	Gross 2019 $'000	Impairment losses 2019 $'000
Not past due	**73**	**-**	65	-
Past due 0 to 90 days	**2**	**-**	66	-
Past due 91 to 182 days	**18**	**(18)**	-	-
Past due 183 to 365 days	**-**	**-**	-	-
Past due over 365 days	**27**	**(25)**	173	(167)
	120	**(43)**	304	(167)

The Company	**Gross 2020 $'000**	**Impairment losses 2020 $'000**	Gross 2019 $'000	Impairment losses 2019 $'000
Not past due	**-**	**-**	-	-
Past due 0 to 90 days	**-**	**-**	-	-
Past due 91 to 182 days	**-**	**-**	-	-
Past due 183 to 365 days	**-**	**-**	-	-
Past due over 365 days	**2**	**-**	2	-
	2	**-**	2	-

Except as disclosed, the Group believes that no further impairment allowance is necessary in respect of trade receivables.

10 Cash and cash equivalents

	The Group		The Company	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Cash and bank balances	**1,629**	3,571	**997**	2,177
Fixed deposits	**118**	502	**-**	-
	1,747	4,073	**997**	2,177

The fixed deposits at the balance sheet date have a maturity of approximately 2 months (2019 - 2 months) from the end of the financial year and earned effective interest at the rate of approximately 1.4% (2019 - 0.6%) per annum.

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Singapore dollar	**1,708**	3,610	**997**	2,177
Taiwan dollar	**28**	442	**-**	-
Chines renminbi	*****	*	**-**	-
Malaysian ringgit	**11**	21	**-**	-
	1,747	4,073	**997**	2,177

For the purpose of presenting the consolidated statement of cash flows, consolidated cash and cash equivalents comprise the following:

The Group	**2020 $'000**	2019 $'000
Cash and cash equivalents as above	**1,747**	4,073
Restricted cash	**(502)**	(502)
Fixed deposits	**-**	(441)
Fixed deposits pledged for rental arrangement	**(118)**	(61)
	1,127	3,069

** denotes amount less than $1,000*

11 Share capital

The Group and The Company	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
	No. of ordinary shares		$'000	$'000
Issued and fully paid, with no par value				
At beginning of year	163,495,140	163,495,140	4,818	4,818
Issuance of shares	27,466,666	-	2,060	-
At end of year	190,961,806	163,495,140	6,878	4,818

11 Share capital (Cont'd)

The holders of ordinary shares are entitled to receive dividends as and when declared from time to time and are entitled to one vote per share at the meetings of the Group. All shares rank equally with regard to the Company's residual assets.

Issuance of shares

During the financial year ended 31 March 2020, the Company allotted and issued 27,466,666 new ordinary shares at a rate of $0.075 per subscription share amounting to $2,060,000.

(a) 26,666,666 of the shares amounting $2,000,000 were issued to the placement investor and the proceeds were fully satisfied in cash.
(b) 800,000 of the shares amounting to $60,000 were issued as part of the commission shares payable to the sponsor and were settled directly under trade and other payables.

The subscription price of $0.075 per share represents the fair value of the shares at the issue date.

12 Reserves

	The Group		The Company	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Merger reserve	**(927)**	(927)	**-**	-
Capital reserve	**(399)**	(399)	**-**	-
Foreign currency translation reserve	**(311)**	(316)	**-**	-
Accumulated losses	**(17,257)**	(7,978)	**(9,339)**	(4,786)
	(18,894)	(9,620)	**(9,339)**	(4,786)

Merger reserve

Merger reserve represents the difference between the value of shares issued by the Group in exchange for the value of shares acquired in respect of the acquisition of subsidiaries accounted for under the pooling-of-interests method.

Foreign currency translation reserve

Foreign currency translation reserve arises from the translation of financial statements of foreign entities whose functional currencies are different from the Group's presentation currency.

Capital reserve

Capital reserve also represented the difference between consideration paid and the adjustment to non-controlling interest arising from changes in Group's interest in a subsidiary that do not result in a loss of control which are accounted for as transaction with owners.

13 Borrowings

	The Group	
	31 March 2020 $'000	31 March 2019 $'000
Non-current		
Obligations under finance leases (Note 13.2)	**-**	150
	-	150
Current		
Obligations under finance leases (Note 13.2)	**-**	43
	-	43
	-	193

13 Borrowings (Cont'd)

13.1 Carrying amounts and fair values

The carrying amounts and fair values of borrowings at the end of the reporting period are as follows:

	2020		2019	
	Carrying amount	**Fair value**	Carrying amount	Fair value
The Group	**$'000**	**$'000**	$'000	$'000
Obligations under finance leases	**-**	-	193	213
	-	-	193	213

The fair values are determined from the discounted cash flow analysis, using the discount rates based upon the borrowing rates which the directors expect would be available to the Group at the end of the reporting period, as follows:

	The Group	
	2020	2019
	%	%
Obligations under finance leases	**-**	4.25
Loan from related party	**-**	5.25

No adjustment has been made to fair values as the differences between the carrying amounts and fair values are not significant to the Group.

Refer to Note 27 for details of foreign currency risk, liquidity risk and interest rate risk exposures.

13.2 Obligations under finance leases

The Group has acquired certain plant and equipment under finance leases. These leases have no terms of renewal, purchase options and escalation clauses. The interest rate implicit in the leases is Nil (2019 - 1.93% to 5.97%) per annum. Future minimum lease payments under the finance lease arrangements together with the present values of the net minimum lease payments are as follows:

The Group	**31 March 2020 $'000**	31 March 2019 $'000
Minimum lease payments payable:		
No later than one year	**-**	51
Later than one year and not later than five years	**-**	146
Later than five years	**-**	19
	-	216
Less: Finance charges allocated to future years	**-**	(23)
Present value of minimum lease payments	**-**	193
Present value of minimum lease payments:		
No later than one year	**-**	43
Later than one year and not later than five years	**-**	131
Later than five years	**-**	19
	-	150
	-	193

Finance lease liabilities are secured by certain plant and equipment of the Group (see Note 5), several personal guarantees from a director of the Company, namely Ms Ho Yow Ping (He YouPing), and corporate guarantee by the Company.

14 Trade and other payables

	The Group		The Company	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Current				
Trade payables - third parties	**268**	283	**-**	-
Other payables - third parties	**2,015**	2,345	**132**	71
Amounts due to subsidiaries (non-trade)	**-**	-	**10,771**	10,650
Amounts due to related parties (non-trade)	**295**	138	**1**	1
Loan from director	**1,494**	-	**-**	-
Loan from former director	**2,118**	3,242	**-**	-
Goods and services tax payable	**163**	53	**-**	-
Other deposits	**3**	3	**-**	-
Accrued operating expenses	**1,355**	1,524	**165**	141
	7,711	7,588	**11,069**	10,863
Non-current				
Amounts due to director				
Loans	-	40	-	-
	-	40	-	-
Former Director (Former Shareholder)				
Loans	-	178	-	-
	-	178	-	-
Total amounts due to director/former director	-	218	-	-

Amounts due to related parties (non-trade)
Amounts due to related parties are companies owned by the shareholders, holding company, a director, a former director. The balances are non-trade in nature, unsecured, interest-free and repayable on demand.

As at 31 March 2020, the Group recorded fair value changes for the loans from director and former director which amounted to $121,000 (2019 - recorded an increase as income to equity - $119,000) charged as expense to equity and $106,000 (2019 - $91,000) of finance cost.

Trade and other payables are denominated in the following currencies:

	The Group		The Company	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Singapore dollar	**7,108**	5,393	**11,069**	10,863
Malaysian ringgit	**574**	2,294	**-**	-
Chinese renminbi	**12**	119	**-**	-
Taiwan dollar	**17**	*	**-**	-
	7,711	7,806	**11,069**	10,863

** denotes amount less than $1,000*

Amounts due to director/former director
During the financial year ended 31 March 2018, Ms Mary Chia Ah Tow ceased to be a director and a shareholder of the Company following the shares disposal. The director is also a shareholder of the Company.

14 Trade and other payables (Cont'd)

Amounts due to director/former director (Cont'd)

The director and the former director have provided an undertaking not to demand repayment of the unsecured and non-interest bearing amounts due from the Group within the next 36 months from 31 March 2017 or until the cash flows of the Group permits, whichever is later. Non-current amounts due to director and former director are unsecured, interest-free and denominated in Singapore dollars.

Current loan from former director is unsecured, interest-free and denominated in Singapore dollars.

15 Lease liabilities

	The Group 31 March 2020 $'000
Undiscounted lease payments due:	
- Year 1	1,879
- Year 2	1,343
- Year 3	1,105
- Year 4	794
- Year 5	364
- Year 6	9
	5,494
Less: Future interest cost	(465)
Lease liabilities	5,029
Presented as:	
- Non-current	2,988
- Current	2,041
	5,029

Total cash outflows for all leases during the year amount to $1,851,000.

Interest expense on lease liabilities of $266,000 is recognised within "Finance costs" in profit or loss.

Rental expenses not capitalised in lease liabilities but recognised within "Operating lease expense" in profit or loss are set out below:

	The Group 2020 $'000
Short-term lease	348

As at 31 March 2020, the Group's short-term lease commitments at the reporting date are not substantially dissimilar to those giving rise to the Group's short-term lease expenses for the year.

Information about the Group's leasing activities are disclosed in Note 24.

Please refer to Note 27 for liquidity risk exposure.

16 Contract liabilities

	The Group		The Company	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
	$'000	$'000	**$'000**	$'000
Fees received, represented as:				
Current liabilities	**1,679**	2,365	-	-

Contract liabilities represent services for beauty, slimming and spa treatments which have not been rendered as at the end of reporting period.

17 Provision

Movements in provision for loans from directors are as follows:

	2020	2019
	$'000	$'000
At beginning of the year	**429**	424
Provision made during the year	**-**	41
Provision reversed during the year	**(59)**	(41)
Unwinding of interest	**3**	5
At end of the year	**373**	429

Provision for reinstatement cost is denominated in Singapore Dollar.

	The Group		The Company	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
	$'000	$'000	**$'000**	$'000
Presented as:				
Current	**177**	256	**-**	-
Non-current	**196**	173	**-**	-
	373	429	**-**	-

Provision relates to estimated costs of dismantlement, removal or reinstatement of plant and equipment arising from the acquisition or use of assets, which are capitalised and included in the cost of plant and equipment.

18 Other operating income

	2020	2019
The Group	**$'000**	$'000
Gain on disposal of investment property	**-**	4,885
Gain on disposal right-of-use assets	**35**	-
Payables written off	**371**	-
Government grants	**113**	124
Sundry income	**-**	58
Other income	**51**	9
Gain on foreign exchange (realised)	**34**	24
	604	5,100

19 Staff costs

The Group	2020 $'000	2019 $'000
Salaries, wages, commissions and bonuses	**5,076**	5,140
Contributions to defined contribution plans	**492**	530
Foreign Worker Levy and Skill Development Levy	**175**	198
Other staff benefits	**17**	19
	5,760	5,887

20 Other operating expenses

The Group	2020 $'000	2019 $'000
Audit fees paid/payable to:		
- Auditors of the Group	**67**	129
- Other auditors	**7**	7
Advertising and marketing expenses	**625**	349
Bad debts written off		
- Trade receivables	**159**	97
Bank charges	**14**	25
C.C & NETS service fee	**170**	136
Clinic Consumables and expenses	**8**	2
Commission	**71**	52
Consultation fee	**360**	121
Dinner and dance expenses	**4**	9
Entertainment expense	**8**	7
Exhibition expenses	**30**	1
Fines and late payment interest	**62**	106
Foreign exchange loss	**1**	26
Impairment loss on plant and equipment	**1,462**	301
Impairment loss on right-of-use assets	**4,540**	-
Impairment loss/(Reversal of impairment loss) on trade receivables	**24**	(86)
Insurance	**46**	31
Intercompany balance written off	**64**	-
Internet and networking charges	**30**	16
Inventory written off	**47**	-
Legal and professional fees	**243**	456
Listing related expenses	**23**	15
Membership fees	**2**	33
Member incentives	**188**	539
Office expenses	**13**	10
Plant and equipment written off	**4**	-
Printing and stationery	**20**	17
Recruitment expenses	**1**	17
Rental of operating equipment and terminals	**16**	40
Repair and maintenance expenses	**177**	262
Small value assets expensed off	**36**	30
Staff training	**21**	29
Telephone, fax and email expenses	**39**	30
Transport and travel	**49**	122
Upkeep of motor vehicles	**25**	22
Utilities	**88**	87
Other operating expenses	**883**	1,420
	9,627	4,458

21 Finance costs

The Group	2020 $'000	2019 $'000
Interest expenses:		
- Bank overdraft	-	1
- Lease liabilities	266	-
- Finance lease liabilities	-	1
- Hire purchase interest expense	-	8
- Provision for reinstatement cost	3	5
- Changes in fair value on amount due to a former director	106	91
	375	106

22 Income tax credit

The Group	2020 $'000	2019 $'000
Current taxation		
- current year	-	-
- Over-provision of tax in respect of prior years	(25)	-
Total taxation	(25)	-

Reconciliation of effective tax rate

The Group	2020 $'000	2019 $'000
Loss before taxation	(9,658)	(202)
Tax at statutory rate of 17% (2019 - 17%)	(1,642)	(34)
Effect of different tax rates in another country	(49)	18
Tax effect on non-deductible expenses	1,790	716
Tax effect on non-taxable income	(182)	(830)
Deferred tax assets on temporary difference not recognised	83	130
Over-provision of tax in respect of prior years	(25)	-
	(25)	-

Unrecorded tax losses

As at the end of the reporting period, the Group had estimated unutilised tax losses amounting to approximately $23,991,000 (2019 - $21,036,000) that are available for offset against future taxable profits of the Group. The unutilised tax losses have no expiry dates. The use of these unutilised tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation. The deferred tax assets arising from these unutilised tax losses of approximately $4,078,000 (2019 - $3,576,000) have not been recognised in the financial statements due to the uncertainty whether future taxable profits will be available against which the Group can utilise the benefits.

23 Loss per share

The Group	**2020**	2019
Loss attributable to equity holders of the Company ($'000)	**(9,158)**	(2,581)
Weighted average number of ordinary shares in issue for basic earnings per share	**165,784,029**	163,495,140
Basic and diluted loss per share (cents)	**(5.52)**	(1.58)

24 Leases

The Group as lessee

The Group has lease contracts for office premises and service outlets used in its operations. Leases of office premises and service outlets generally have lease terms of two years with an option to renew for another two years. Generally, the Group are restricted from assigning and subleasing the leased assets.

The Group applies the 'short-term lease' recognition exemptions for certain leases of office premises and service with lease terms of 12 months or less.

Information regarding the Group's right-of-use assets and lease liabilities are disclosed in Note 5 and 15 respectively.

25 Commitments

Operating lease commitments

Where the Group is a lessee

The Group leases office premises and service outlets under non-cancellable operating leases. These leases have an average tenure of between one and three years with renewal options and contingent rent provisions included in the contracts. The Group is required to pay either absolute fixed annual increase to the lease payments or contingent rents computed based on their sales achieved during the lease period. The Group is restricted from sub-leasing some of its service outlets.

The future aggregate minimum lease payable under the non-cancellable operating leases contracted as at the balance sheet date but not recognised as liabilities in the financial statements, are analysed as follows:

The Group	2019 $'000
Not later than one year	2,424
Later than one year and not later than five years	1,510
Later than five years	-
	3,934

As disclosed in Note 2, the Group has adopted SFRS (I) 16 on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the financial position as at 1 April 2019, except for short-term and low-value leases.

26 Significant related party transactions

Related party transactions

The Group

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant transactions with related parties:

	2020 $'000	2019 $'000
Advance from related parties	**105**	-
Advance to related parties	**157**	-

Key management personnel compensations

The fees and remuneration of the directors of the Group, who are the key management personnel of the Group, are as follows:

The Group	**2020 $'000**	2019 $'000
Directors' fees	**103**	58
Salaries and other short-term employee benefits	**400**	300
Contributions to defined contribution plans	**25**	12
	425	312

27 Financial risk management

The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Company's and the Group's financial performance. The key financial risks include foreign currency risk, credit risk, market price risk, interest rate risk, liquidity risk and cash flow risk. The Company's and the Group's overall risk management strategy seeks to minimise adverse effects from these financial risks on the Company's and the Group's financial performance. The Company's and the Group's overall risk management policy is to ensure adequate financial resources are available for the development of the Company's and the Group's business whilst managing the risk.

The Company's and the Group's risk management is carried out by the board of directors. The Company and the Group do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

There has been no change to the Company's and the Group's exposure to these financial risks and the manner in which they manage and measure the risks.

27 Financial risk management (Cont'd)

The carrying amounts of financial assets and financial liabilities at the reporting (by categories) are as follows:

	The Group		The Company	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Financial assets at amortised cost				
Trade and other receivables#	**252**	358	**7,586**	8,709
Other assets#	**863**	913	**-**	-
Cash and cash equivalents	**1,747**	4,073	**997**	2,177
	2,862	5,344	**8,583**	10,886
Financial liabilities at amortised cost				
Trade and other payables##	**7,548**	7,753	**11,069**	10,863
Lease liabilities	**5,029**	-	**-**	-
Obligations under finance leases	**-**	193	**-**	-
	12,577	7,946	**11,069**	10,863

\# *Exclude goods and services tax and prepayments*
\#\# *Exclude goods and services tax*

Credit risk
Credit risk refers to the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group or the Company to incur a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual growth while minimising losses arising from credit risk exposure. For trade and other receivables, the Group adopts the policy of dealing only with borrowers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. The Group closely monitors and avoids any significant concentration of credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure including the default risk of the individual obligor, security risk and market/industry risk.

Credit policies are formulated covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

All credit facilities, including those that require collateral, require the approval by management as appropriate. All collateral assets must be tangible and accessible or marketable in Singapore or a reputable market.

The Group has in place a monitoring system to identify early symptoms of problematic loan accounts. A risk grading system is used in determining where impairment provisions may be required against specific credit exposures. Risk grades are subject to regular reviews and credit exposures take into consideration of stress testing of the fair value of collateral and other security enhancements held against the loans and advances.

The Group's significant exposure to credit risk arises from trade and other receivables. Credit exposure to an individual counterparty is restricted by credit limits that are approved by the credit committee based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored by the respective management and the credit committee.

27 Financial risk management (Cont'd)

Credit risk (Cont'd)

Corporate guarantees
The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. The maximum exposure of the Company in respect of the intra-group financial guarantees (see Note 28) at the reporting date is if the facility is drawn down by the subsidiary in the amount of $Nil (2019 - $ Nil). At the reporting date, the Group has considered it is not probable that a claim will be made against the Company under the intra-group financial guarantees.

Exposure to credit risk
As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as follows:

The Group	**31 March 2020 $'000**	31 March 2019 $'000
Financial assets		
Trade and other receivables#	**252**	358
Other assets#	**863**	913
Cash and cash equivalents	**1,747**	4,073
	2,862	5,344

The Company	**31 March 2020 $'000**	31 March 2019 $'000
Financial assets		
Trade and other receivables#	**7,586**	8,709
Cash and cash equivalents	**997**	2,177
	8,583	10,886

\# *Exclude goods and services tax and prepayments*

The Group's and the Company's major classes of financial assets are trade and other receivables (excluding goods and service tax and prepayments), other assets and cash and bank balances.

The tables below detail the credit quality of the Group's and the Company's financial statements and other items, as well as maximum exposure to credit risk by credit risk rating grades:

The Group At 31 March 2020	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Trade and other receivables#	**(1)**	**Lifetime ECL**	**297**	**(45)**	**252**
Other assets#	**(2)**	**12 months ECL**	**863**	**-**	**863**
Cash and cash equivalents	**(2)**	**12 months ECL**	**1,747**	**-**	**1,747**
			2,907	**(45)**	**2,862**

27 Financial risk management (Cont'd)

Credit risk (Cont'd)

Exposure to credit risk (Cont'd)

The Group At 31 March 2019	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Trade and other receivables#	(1)	Lifetime ECL	525	(167)	358
Other assets#	(2)	12 months ECL	913	-	913
Cash and cash equivalents	(2)	12 months ECL	4,073	-	4,073
			5,511	(167)	5,344

The Company **At 31 March 2020**	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Trade and other receivables#	**(1)**	**Lifetime ECL**	**28,557**	**(20,971)**	**7,586**
Cash and cash equivalents	**(2)**	**12 months ECL**	**997**	**-**	**997**
			29,554	**(20,971)**	**8,583**

The Company At 31 March 2019	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Trade and other receivables#	(1)	Lifetime ECL	26,803	(18,094)	8,709
Cash and cash equivalents	(2)	12 months ECL	2,177	-	2,177
			28,980	(18,094)	10,886

Exclude goods and services tax and prepayments

(1) Trade and other receivables

The Company and the Group apply the SFRS(I) 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade and other receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical credit loss experiences. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company and the Group have identified the Gross Domestic Product of Singapore, the country in which it operates to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables relate to the collection of payment from customers. The credit risks relating to balances pending payment from customers are not deemed to be significant based on the external credit ratings of the counterparties.

Trade receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net impairment losses within other operating expenses. Subsequent recoveries of amounts previously written off are credited against the same line item. The closing loss allowances for trade receivables as at the reporting date reconcile to the opening loss allowances are disclosed in Note 9.

27 Financial risk management (Cont'd)

Credit risk (Cont'd)

(2) Other assets

Financial assets that are neither past due nor impaired
Trade and other receivables that are neither past due nor impaired are creditworthy companies or individuals with a good payment record with the Group and the Company. Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings and no history of default.

Financial assets that are past due but not impaired
There is no other class of financial assets that is past due but not impaired except for trade and other receivables.

Cash and cash equivalents
Cash is placed with financial institutions which are regulated and have good credit ratings. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Impairment of trade and other receivables as at 31 March and 1 April 2019
Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment. The Company and the Group considered that there was evidence of impairment if any of the following indicators were present:
- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or late payments.

Receivables for which an impairment provision was recognised were written off against the provision when there was not expectation of recovering additional cash.

An ageing analysis of trade receivables (gross before impairment losses) at the reporting date is as follows:

The credit risk for trade receivables based on the information provided to the key management is as follows:

	The Group		**The Company**	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Not past due	**73**	65	**-**	-
Past due 0 to 90 days	**2**	66	**-**	-
Past due 91 to 182 days	**18**	-	**-**	-
Past due 183 to 365 days	**-**	-	**-**	-
Past due over 365 days	**27**	173	**2**	2
	120	304	**2**	2

27 Financial risk management (Cont'd)

Credit risk (Cont'd)

An ageing analysis of amounts due from subsidiaries (gross before impairment losses) at the reporting date is as follows:

The Company	31 March 2020 $'000	31 March 2019 $'000
Not past due	**28,541**	26,799
Past due 0 to 90 days	**-**	-
Past due 91 to 182 days	**-**	-
Past due 183 to 365 days	**-**	-
Past due over 365 days	**-**	-
	28,541	26,799

Liquidity risk

Liquidity or funding risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's objective is to maintain a balance between continuity of funding and flexibility through amounts due to related parties, obligations under finance leases, cash and short-term deposits. To ensure the continuity of funding for the Group's operations, the Group obtains short-term funding from reputable financial institutions.

The Group has obtained written continuing financial support from the holding company to meet its liabilities and normal operating expenses to be incurred.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows.

The Group	Carrying amount $'000	Contractual cash flows $'000	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000
31 March 2020					
Trade and other payables##	**7,548**	**7,548**	**7,548**	**-**	**-**
Lease liabilities	**5,029**	**5,494**	**1,879**	**3,606**	**9**
	12,577	**13,042**	**9,427**	**3,606**	**9**
31 March 2019					
Trade and other payables##	7,753	7,753	7,535	218	-
Obligations under finance leases	193	216	51	146	19
	7,946	7,969	7,586	364	19

27 Financial risk management (Cont'd)

Liquidity risk (Cont'd)

The Company	Carrying amount $'000	Contractual cash flows $'000	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000
31 March 2020					
Trade and other payables##	**11,069**	**11,069**	**11,069**	**-**	**-**
	11,069	**11,069**	**11,069**	**-**	**-**
31 March 2019					
Trade and other payables##	10,863	10,863	10,863	-	-
	10,863	10,863	10,863	-	-

Exclude goods and services tax

The Group and the Company ensure that there are adequate funds to meet all their obligations in a timely and cost-effective manner.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company are not exposed to any movement in interest rate risk as they do not have any borrowings.

Foreign currency risk
Foreign currency risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group does not have currency risk as all of the group entities' business activities were carried out in their respective functional currencies.

Market price risk
Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate due to changes in market prices.

The Group and the Company are not exposed to any movement in market price risk as they do not hold any quoted or marketable financial instruments.

28 Segment information

Reporting format
The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services provided. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services in different markets.

Business segments
Management has determined the operating segments based on the reports reviewed to make strategic decisions. Each segment represents a strategic business unit that offers different types of products and services. The Group's reportable segments are as follows:

- Beauty, slimming and spa treatment for women
- Beauty, slimming and spa treatment for men
- Direct selling
- Investment holding

Inter-segment transactions are determined on an arm's length basis.

Segment assets comprise of cash and cash equivalents, trade and other receivables, inventories, property, plant and equipment and other current assets. Segment assets exclude deferred tax assets.

Segment liabilities comprise primarily trade and other payables, specific borrowings and which can be attributable to the specific segments. Segment liabilities exclude current tax liabilities.

Geographical segments
The Group's geographical segments are based on the geographical location of the assets. Sales to external customers disclosed in geographical segments are attributed to geographic areas based on origins of the Group's customers.

Allocation basis and transfer pricing
Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise taxation balances.

28 Segment information (Cont'd)

Business segments (Cont'd)

(a) Business segments

(i) The following table presents revenue and results information regarding the Group's business segments for the years ended 31 March 2020 and 2019:

	Beauty, slimming and spa treatment for women		Beauty, slimming and spa treatment for men		Direct selling		Investment holding		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue	**8,213**	7,191	**389**	1,012	**726**	1,362	**-**	-	**9,337**	9,565
Inter-segment revenue	**(546)**	(680)	**-**	-	**-**	-	**-**	-	**(546)**	(680)
External revenue	**7,667**	6,511	**389**	1,012	**726**	1,362	**-**	-	**8,791**	8,885
Other information:										
Other income	**522**	161	**6**	3	**53**	51	**23**	4,885	**604**	5,100
Purchases and related costs	**(123)**	(258)	**(11)**	(2)	**(205)**	(377)	**-**	-	**(339)**	(637)
Changes in inventories	**(80)**	(61)	**(4)**	(2)	**-**	-	**-**	-	**(84)**	(63)
Staff costs	**(4,890)**	(4,945)	**(414)**	(590)	**(456)**	(352)	**-**	-	**(5,760)**	(5,887)
Depreciation of property and equipment	**(395)**	(383)	**(17)**	(54)	**(45)**	(35)	**-**	-	**(457)**	(472)
Depreciation of right-of-use assets	**(1,795)**	-	**(203)**	-	**(22)**	-	**-**	-	**(2,020)**	-
Operating lease expense	**(328)**	(1,719)	**(63)**	(845)	**-**	-	**-**	-	**(391)**	(2,564)
Other operating expenses	**(8,445)**	(2,867)	**(203)**	(182)	**(941)**	(1,398)	**(38)**	(11)	**(9,627)**	(4,458)
Finance costs	**(297)**	(18)	**(75)**	(58)	**(3)**	(30)	**-**	-	**(375)**	(106)
Loss before taxation									**(9,658)**	(202)
Income tax credit									**25**	-
Loss for the year									**(9,633)**	(202)

28 Segment information (Cont'd)

Business segments (Cont'd)

(a) Business segments (Cont'd)

(ii) The following table presents assets, liabilities and other segment information regarding the Group's business segments for the years ended 31 March 2020 and 2019:

	Beauty, slimming and spa treatment for women		Beauty, slimming and spa treatment for men		Direct selling		Investment holding		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Assets and liabilities:										
Segment assets	**3,125**	5,740	**156**	463	**495**	803	**39**	520	**3,815**	7,526
Total assets									**3,815**	7,526
Segment liabilities	**13,747**	8,649	**748**	888	**284**	1,218	**13**	38	**14,792**	10,793
Unallocated liabilities										
- Income tax payables	**1**	1	**-**	-	**-**	-	**-**	21	**1**	22
Total liabilities									**14,793**	10,815
Other segment information:										
Capital expenditure	**962**	1,023	**-**	58	**15**	113	**-**	-	**977**	1,194
Gain on disposal of investment property	**-**	-	**-**	-	**-**	-	**-**	4,885	**-**	4,885
Depreciation of plant, and equipment	**395**	383	**17**	54	**45**	35	**-**	-	**457**	472
Impairment loss on plant and equipment	**1,369**	301	**34**	-	**59**	-	**-**	-	**1,462**	301
Gain on disposal of plant and equipment	**35**	-	**-**	-	**-**	-	**-**	-	**35**	-
Plant and equipment written off	**-**	-	**4**	-	**-**	-	**-**	-	**4**	-
Depreciation of right-of-use assets	**1,795**	-	**203**	-	**22**	-	-	-	**2,020**	-
Impairment loss on right-of-use assets	**4,455**	-	**85**	-	**-**	-	**-**	-	**4,540**	-
Trade and other receivables written off	**98**	97	**-**	-	**32**	-	**29**	-	**159**	97
Impairment loss/(Reversal of impairment loss) on trade receivables	**24**	(86)	**-**	-	**-**	-	**-**	-	**24**	(86)
Fair value adjustment to interest-free loans from former director	**41**	91	**65**	-	**-**	-	**-**	-	**106**	91

28 Segment information (Cont'd)

(b) Geographical information

	Singapore		Malaysia		Taiwan		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue - Sales to external customers	**7,179**	7,373	**1,602**	1,512	**10**	-	**8,791**	8,885
Non-current assets#	**131**	1,164	**271**	59	**23**	21	**425**	1,244

Note # - exclude deferred tax asset and deposits

The Group's non-current assets comprising plant and equipment and right-of-use assets are mainly located in Singapore, Taiwan and Malaysia.

Information about major customer
The Group does not have any major customers.

29 Capital management

The Group's capital management policy is to ensure that it maintains capital ratios with a view to optimise shareholders' value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payout to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There were also no changes in the Group's approach to capital management during the financial years ended 31 March 2020 and 2019.

The Group monitors capital on the basis of the net debt to total capital ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings, trade and other payables and less cash and cash equivalents. Total equity is calculated as share capital plus reserves and non-controlling interest. Total capital is calculated as total equity plus net debt.

The net debt to total capital ratio is calculated as follows:

The Group	**2020** **$'000**	2019 $'000
Borrowings	**-**	193
Lease liabilities	**5,029**	-
Trade and other payables	**7,711**	7,806
Less: Cash and cash equivalents	**(1,747)**	(4,073)
Net debt	**10,993**	3,926
Total equity	**(12,016)**	(4,802)
Total capital	**(1,023)**	(876)
Net debt to total capital ratio	*	*

* Not meaningful as the Group has a deficit in shareholder's funds as at balance sheet date.

30 Fair value measurement

__Definition of fair value__
SFRS(I)s define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

__Fair value hierarchy__
The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
(b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
(c) Level 3 - Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

__Fair value measurement of financial assets and financial liabilities__
The following summarises the significant methods and assumption used in estimating fair values of financial instruments of the Group.

Non-current financial assets and financial liabilities
The carrying amounts of variable rate non-current loans from financial approximate their fair values. The carrying amounts of finance leases approximate their fair values as they bear interest at rates which approximate market rates for similar arrangements. The fair values of interest-free loans from an executive director and a former director at inception are based on discounted cash flows using incremental rate of borrowing after due consideration of the risk-free rate and credit spread.

Other financial assets and financial liabilities
The carrying amounts of other financial assets and financial liabilities (trade and other receivables, trade and other payables, and borrowings) which have a maturity of less than one year approximate their fair value because of the short-term period of maturity.

STATISTICS OF SHAREHOLDINGS

AS AT 24 AUGUST 2020

ISSUED AND PAID-UP CAPITAL	:	S$6,878,000
NO. OF SHARES	:	190,961,806
NO. OF TREASURY SHARES AND SUBSIDIARY HOLDINGS	:	NIL
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	1 VOTE PER SHARE

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	NO. OF %
1 - 99	1	0.27	1	0.00
100 - 1,000	139	37.06	134,000	0.07
1,001 - 10,000	99	26.40	653,000	0.34
10,001 - 1,000,000	126	33.60	6,775,000	3.55
1,000,001 and above	10	2.67	183,399,805	96.04
Total	375	100.00	190,961,806	100.00

LIST OF TOP TWENTY SHAREHOLDERS

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1.	DBS VICKERS SECURITIES (S) PTE LTD	110,467,739	57.85
2.	HO YOW PING (HE YOUPING)	32,680,000	17.11
3.	GRACE HOW PEI YEN	26,666,666	13.97
4.	HAN SENG JUAN	2,300,000	1.20
5.	ONG PANG AIK	2,300,000	1.20
6.	SONG WEI MING	2,300,000	1.20
7.	TEO KEE BOCK	2,300,000	1.20
8.	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	1,559,500	0.82
9.	DBS NOMINEES PTE LTD	1,534,000	0.81
10.	UOB KAY HIAN PTE LTD	1,291,900	0.68
11.	LEE LAY TING JANE	810,300	0.42
12.	CITY LIFE ADVERTISING PTE LTD	297,000	0.16
13.	WAI LEE CHIEN	242,000	0.13
14.	LEONG POH CHOO	202,200	0.11
15.	OCBC SECURITIES PRIVATE LTD	200,000	0.10
16.	RACHEL ONG CHUAN CHUAN	128,000	0.07
17.	GAN CHIN POH (YAN QINGBO) @ GAN AH LAM	125,000	0.07
18.	WONG BIG WAH	121,000	0.06
19.	WONG WEN MING	120,000	0.06
20.	RAFFLES NOMINEES (PTE) LIMITED	116,000	0.06
	TOTAL	185,761,505	97.28

STATISTICS OF SHAREHOLDINGS

AS AT 24 AUGUST 2020

Substantial SHAREHOLDERS

NAME OF SHAREHOLDERS		DIRECT INTEREST NO. OF SHARES	%	DEEM INTEREST NO. OF SHARES	%
1.	SUKI SUSHI PTE LTD	-	-	110,466,839	57.85
2.	HO YOW PING (HE YOUPING)	32,680,000	17.11	110,466,839	57.85
3.	LEE BOON LENG	-	-	110,466,839	57.85

Notes:

1. *Suki Sushi Pte. Ltd. holds 110,466,839 of shares in the Company through DBS Vickers Securities (S) Pte. Ltd. The Shareholders of Suki Sushi Pte. Ltd. are Mr. Lee Boon Leng (72.87%), Ms Ho Yow Ping (He Youping) (21.45%), Ms Low Xiu Li Evelyn (2.81%), Mr Khoo Cheng Been (2.31%) and Mr Seow Bao Shuen (0.56%).*

2. *Ms. Ho Yow Ping (He YouPing) and Mr Lee Boon Leng are deemed to have an interest in the Company by virtue of their 72.87% and 21.45% respective shareholding interest in Suki Sushi Pte. Ltd.*

PUBLIC FLOAT

Based on the information available to the Company as at 24 August 2020, approximately 11.07 % of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (**"AGM"**) of Mary Chia Holdings Limited (the **"Company"**) will be held by way of electronic means on Tuesday, 29 September 2020 at 9.30 a.m. (Singapore Time), to transact the following businesses:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 March 2020 together with the Auditors' Report thereon. **Resolution 1**

2. To approve the payment of Directors' fees of S$105,000 for the financial year ending 31 March 2021 (FY2020: S$105,000). **Resolution 2**

3. To re-elect Mr Pao Kiew Tee who is retiring by rotation pursuant to Regulation 98 of the Company's Constitution. **Resolution 3**
[See Explanatory Note]

4. To re-elect Ms Gillian Ng Lee Eng who is retiring by rotation pursuant to Regulation 102 of the Company's Constitution. **Resolution 4**
[See Explanatory Note]

5. To re-appoint Messrs Foo Kon Tan LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **Resolution 5**

6. To transact any other ordinary business which may be properly transacted at an annual general meeting.

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:-

7. Authority to allot and issue shares and convertible securities

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the **"Companies Act"**) and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the **"SGX-ST"**) (**"Catalist Rules"**), the Directors of the Company be authorised and empowered to:

(a) (i) allot and issue shares in the capital of the Company (**"Shares"**) whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, **"Instruments"**) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares; and/or

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus, or capitalisation issues.

At any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force), issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution is in force, provided that:

(1) the aggregate number of Shares to be allotted and issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) of which the aggregate number of Shares to be allotted and issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:-

(i) new Shares arising from the conversion or exercise of the convertible securities;

(ii) (where applicable) new Shares arising from exercising of share options or vesting of share awards, provided that share options or share awards were granted (as the case may be) in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or sub-division of Shares,

provided further that adjustments in accordance with (i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Ordinary Resolution 6, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law and the Catalist Rules to be held, whichever is the earlier. **[See Explanatory Note]** **Resolution 6**

BY ORDER OF THE BOARD

Shirley Lim Guat Hua
Company Secretary

14 September 2020

Explanatory Note:

In relation to Ordinary Resolution 3, Mr Pao Kew Tee, will upon re-election as a Director of the Company, continue as Lead Independent Director, Chairman of the Audit Committee and Remuneration Committee and a member of the Nominating Committee. The Board considers him to be independent pursuant to Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

In relation to Ordinary Resolution 4, Ms Gillian Ng Lee Eng, will upon re-election as a Director of the Company, continue as Independent Director and a member of the Audit Committee, Nominating Committee and Remuneration Committee. The Board considers Ms Gillian Ng Lee Eng to be independent pursuant to Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

The Ordinary Resolution 6 proposed in item 7, if passed, will authorize and empower the Directors of the Company from the date of the above Meeting until the conclusion of the next AGM or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to allot and to issue further Shares and make and grant convertible securities convertible into Shares, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors may consider what would be in the best interests of the Company. The number of Shares and convertible securities that the Directors may issue under this Resolution would not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution. For issue of Shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution. As at 14 September 2020, the Company had no treasury shares and subsidiary holdings.

Notes:

1. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVD-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM will not be sent to members. Instead, this Notice of AGM will be sent to members by electronic means via publication at the SGX website at the URL https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast (**"Live Webcast"**) or "live" audio-only stream (**"Live Audio Stream"**)), submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and/or during the AGM and voting by appointing the Chairman of the AGM as proxy, are set out in the accompanying Company's announcement dated 14 September 2020 (**"AGM Alternative Arrangements Announcement"**). The AGM Alternative Arrangements Announcement, this Notice of AGM, the Annual Report of the Company and the proxy form will be published at the SGX website at the URL https://www.sgx.com/securities/company-announcements.

3. Members (including persons who hold shares in the Company through the Central Provident Fund (**"CPF"**) or Supplementary Retirement Scheme (**"SRS"**) (**"CPF/SRS investors"**)) who wish to follow the proceedings through a Live Webcast or a Live Audio Stream must pre-register at the URL https://sg.conveneagm.com/marychia no later than 9.30a.m. on 27 September 2020 (**"Registration Cut-Off Time"**). Following verification, an email containing instructions on how to access the Live Webcast and Live Audio Stream of the proceedings of the AGM will be sent to authenticated members and CPF/SRS investors by 12.00 p.m. on 28 September 2020. Members and CPF/SRS investors who do not receive any email by 12.00 p.m. on 28 September 2020, but have registered by the Registration Cut-off Time, should email the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com for assistance.

Members holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (other than CPF/SRS investors) will not be able to pre-register at the URL https://sg.conveneagm.com/marychia for the "live" broadcast of the AGM and should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements for the member to (i) participate in the AGM; (ii) submit questions in advance of the AGM; and (iii) appoint the Chairman as proxy to attend, speak and vote on their behalf at the AGM..

4. **Due to the current COVID-19 situation, a member will not be able to attend the AGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**

The instrument appointing the Chairman of the AGM as proxy (**"proxy form"**) may be accessed at the pre-registration website and the SGX website. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

5. The Chairman of the AGM, as proxy, need not be a member of the Company.

6. The proxy form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. A CPF/SRS investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions.

CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by 5.00 p.m. on 17 September 2020, being seven (7) working days before the date of the AGM.

7. The proxy form must be submitted to the Company in the following manner:

(a) if submitted by post, be lodged at the office of the Company's Share Registrar at 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or

(b) if submitted electronically, be submitted via email to the Company's Share Registrar at main@zicoholdings.com, or to the Company's meeting convenor at https://sg.conveneagm.com/marychia

in either case, no later than 9.30 a.m. on 27 September 2020, being forty-eight (48) hours before the time appointed for holding the AGM.

A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or sending it by email to any of the two email addresses provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

8. The proxy form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal (or by the signatures of authorised persons in the manner as set out under the Companies Act as an alternative to sealing) or under the hand of an attorney or a duly authorised officer of the corporation.

9. Where the proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.

10. A depositor's name must appear in the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time appointed for holding the AGM in order for the depositor to be entitled to attend, speak and vote at the AGM.

11. Members will not be able to ask questions "live" during the broadcast of the AGM. All members (including CPF/SRS investors) may submit questions relating to the business of the AGM no later than 9.30 a.m. on 25 September 2020:

    (a) via the pre-registration website at the https://sg.conveneagm.com/marychia;
    (b) by email to corporate@marychia.com; or
    (c) by post to the Company's Share Registrar at 8 Robinson Road, #03-00 ASO Building, Singapore 048544.

    In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, members and Investors are strongly encouraged to submit their questions via the pre-registration website or by email. The Company will endeavor to answer all substantial and relevant questions prior to, or at, the AGM.

12. All documents (including the Annual Report, this Notice of AGM and the proxy form) or information relating to the business of the AGM have been, or will be, published on the the SGX website. **Printed copies of the documents will not be dispatched to members**. Members are advised to check the SGX website regularly for updates.

Personal Data Privacy:

By (a) submitting an instrument appointing the "Chairman of the Meeting" as proxy to a vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM, or (c) submitting the pre-registration form in accordance with Notice of the AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of:

(i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the "Chairman of the Meeting" as proxy for the AGM (including any adjournment thereof);

(ii) processing of the pre-registration emails for purposes of granting access to members (or their corporate representatives in the case of members who are legal entities) to view the live webcast of the AGM proceedings and providing viewers with any technical assistance where necessary;

(iii) addressing selected questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;

(iv) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);

(v) enabling the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member (such as his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

Mary Chia Holdings Limited
(Incorporated in the Republic of Singapore)
(Registration No: 200907634N)

PROXY FORM

ANNUAL GENERAL MEETING

IMPORTANT:
1. The Annual General Meeting (**"AGM"**) is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and/or during the AGM and voting by appointing the Chairman of the AGM as proxy, are set out in the Notice of AGM and the accompanying Company's announcement dated 14 September 2020 (**"AGM Alternative Arrangements Announcement"**).
3. The AGM Alternative Arrangements Announcement, the Notice of AGM and this proxy form have been made available at the SGX website at the URL https://www.sgx.com/securities/company-announcements. Printed copies of the Notice of AGM and this proxy form will not be sent to members.
4. **Due to the current COVID-19 situation, a member will not be able to attend the AGM in person. A member will also not be able to vote online on the Resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman of the AGM as proxy, a member must give specific instructions as to voting, or abstentions from voting, in respect of a Resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that Resolution will be treated as invalid.**
5. This proxy form is not valid for use by investors holding shares in the Company through relevant intermediaries (including investors holding through Central Provident Fund (**"CPF"**) and Supplementary Retirement Scheme (**"SRS"**) (**"CPF/SRS investors"**)) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks and SRS Operators to submit their voting instructions by 5.00 p.m. on 17 September 2020, being seven (7) working days before the AGM.

Personal data privacy:
By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 September 2020.

I / We______________________________(Name) NRIC/ Passport/ Co. Reg. No.______________________

of____(Address)

being a member/members of **MARY CHIA HOLDINGS LIMITED** (the **"Company"**), hereby appoint the Chairman of the AGM, as my/our proxy, to attend, speak and vote for me/us and on my/our behalf at the AGM of the Company to be held by way of electronic means on Tuesday, 29 September 2020 at 9.30 a.m. and at any adjournment thereof. I/We direct the Chairman of the AGM, being my/our proxy, to vote for or against, or abstain from voting, on the Resolutions proposed at the AGM as indicated hereunder.

No.	Resolutions relating to:	For*	Against*	Abstain*
	Ordinary Business			
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2020 together with the Auditors' Report thereon			
2	Approval of Directors' fees of S$105,000 for the financial year ending 31 March 2021 (FY2020: S$105,000)			
3	Re-election of Mr Pao Kiew Tee as Director			
4	Re-election of Ms Gillian Ng Lee Eng as Director			
5	Re-appointment of Auditors			
	Special Business			
6	Authority to allot and issue shares			

*Voting will be conducted by poll. If you wish to exercise your votes "For" or "Against" the relevant Resolution, please tick "√" in the relevant box provided. Alternatively, please indicate number of votes "For" or "Against" each Resolution. If you mark "√" in the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution. **In the absence of specific directions in respect of a Resolution, the appointment of Chairman as your proxy of that Resolution will be treated as invalid.**

Dated this ________day of__________________2020

Total number of Shares held ***(Note 1)***

____
Signature(s) or common seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

ANNUAL GENERAL MEETING

Notes:

1. Please insert the total number of Shares in the share capital of the Company (**"Shares"**) held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. **Due to the current COVID-19 situation, a member will not be able to attend the AGM in person. A member will also not be able to vote online on the Resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. This proxy form may be accessed from the pre-registration website at the URL https://sg.conveneagm.com/marychia and the SGX website at the URL https://www.sgx.com/securities/company-announcements.**

   Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a Resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that Resolution will be treated as invalid.

3. The Chairman of the AGM, as proxy, need not be a member of the Company.

4. The proxy form must be submitted in the following manner:

   (a) if submitted by post, be lodged at the office of the Company's Share Registrar, 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at main@zicoholdings.com or to the Company's meeting convenor at https://sg.conveneagm.com/marychia

   in either case, no later than 9.30 a.m. on 27 September 2020, being forty-eight (48) hours before the time appointed for holding the AGM.

   A member who wishes to submit the proxy form must complete and sign the proxy form, before submitting it by post to the address provided above, or sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The proxy form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal (or by the signatures of authorised persons in the manner as set out under the Companies Act (Chapter 50) as an alternative to sealing) or under the hand of an attorney or a duly authorised officer of the corporation.

6. Where the proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.

7. For members (including CPF/SRS investors), this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks and SRS Operators to submit their voting instructions by 5.00 p.m. on 17 September 2020, being seven (7) working days before the AGM.

GENERAL

The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the proxy form. In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any proxy form lodged if such members are not shown to have Shares entered against their names in the Depository Register as at seven-two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 September 2020.

COMPANY INFORMATION

COMPANY REGISTRATION NUMBER
200907634N

REGISTERED OFFICE
183 Thomson Road
Goldhill Shopping Centre
Singapore 307628
Tel: 6252 9651
Fax: 6255 6862

BOARD OF DIRECTORS
Ho Yow Ping (He YouPing)
(Board Chairman / Chief Executive Officer)

Pao Kiew Tee (Lead Independent Director)

Sim Eng Huat (Independent Director)

Gillian Ng Lee Eng (Independent Director)

COMPANY SECRETARY
Shirley Lim Guat Hua

SHARE REGISTRAR
B.A.C.S Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544
Email: main@zicoholdings.com

SPONSOR
SAC Capital Private Limited
1 Robinson Road
#21-00 AIA Tower
Singapore 048542

AUDIT COMMITTEE
Pao Kiew Tee (Chairman)
Sim Eng Huat
Gillian Ng Lee Eng

NOMINATING COMMITTEE
Sim Eng Huat (Chairman)
Pao Kiew Tee
Gillian Ng Lee Eng

REMUNERATION COMMITTEE
Pao Kiew Tee (Chairman)
Sim Eng Huat
Gillian Ng Lee Eng

BANKERS
DBS Bank Ltd

INDEPENDENT AUDITOR
Foo Kon Tan LLP
Public Accountants and
Chartered Accountants
24 Raffles Place, #07-03
Clifford Centre
Singapore 048621

Partner-in-charge: Ms Ang Soh Mui
(since financial year ended 31 March 2019)

MARY CHIA

URBAN HOMME

MCU CLINIC

MASEGO

ORGANICA

HUANG AH MA

GO60

LPG ENDERMOSPA

DR SCINN

SCINN