
UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2016

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Change %
	Six Months ended		
	30-Sep-16 S\$'000 (unaudited)	30-Sep-15 S\$'000 (unaudited)	
Revenue	4,664	8,009	(41.8)
Other operating income	333	365	(8.8)
Purchases and related costs	(275)	(271)	1.6
Changes in inventories	(45)	(11)	n/m
Depreciation of property, plant and equipment	(377)	(490)	(23.1)
Staff cost	(3,155)	(3,533)	(10.7)
Operating leases expenses	(2,133)	(2,046)	4.2
Other operating expenses	(1,704)	(2,138)	(20.3)
Finance cost	(367)	(336)	9.1
Loss before income tax	<u>(3,059)</u>	<u>(452)</u>	n/m
Income tax expenses	(25)	(62)	(60.1)
Loss for the financial period	<u>(3,084)</u>	<u>(514)</u>	n/m
Other comprehensive income / (loss) for the year, net of tax			
Exchange difference on translating foreign operation	35	(12)	n/m
Total comprehensive loss for the financial period	<u>(3,049)</u>	<u>(526)</u>	
Profit / (Loss) Attributable to:			
Equity holders of the Company	(3,390)	(726)	n/m
Non-Controlling interest	305	212	44.3
	<u>(3,084)</u>	<u>(514)</u>	
Total comprehensive (loss) / income attributable to:			
Equity holders of the Company	(3,354)	(738)	n/m
Non-controlling interest	305	212	44.3
	<u>(3,049)</u>	<u>(526)</u>	

n/m: not meaningful

1(a)(iii) Notes to consolidated statement of comprehensive income

Loss before income tax is determined after charging/(crediting):

	GROUP		Change
	Six months ended		
	30-Sep-16	30-Sep-15	
	S\$'000	S\$'000	%
	(unaudited)	(unaudited)	
Government Grant	(134)	(205)	(34.9)
Income from Training for Health Management	-	(90)	n/m
Exchange losses / (gain)	261	130	n/m

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30-Sep-16 S\$'000 (unaudited)	31-Mar-16 S\$'000 (audited)	30-Sep-16 S\$'000 (unaudited)	31-Mar-16 S\$'000 (audited)
ASSETS				
Non-Current Assets				
Property, plant and equipment	4,764	4,862	-	-
Investment property	57,176	57,176	-	-
Investment in subsidiaries	-	-	3,444	3,444
Deferred tax assets	14	14	-	-
Other assets	840	858	-	-
Total Non-Current Assets	62,794	62,910	3,444	3,444
Current Assets				
Inventories	612	662	-	-
Trade and other receivables	170	407	4	3
Other assets	780	885	6	8
Cash and cash equivalents	499	867	63	79
Total Current Assets	2,061	2,820	73	90
Total Assets	64,855	65,730	3,517	3,534
EQUITY AND LIABILITIES				
Equity				
Share capital	4,818	4,818	4,818	4,818
Reserves	2,334	5,673	(3,263)	(3,005)
Attributable to owners of the company	7,152	10,491	1,555	1,813
Non-controlling interest	19,798	19,492	-	-
Total Equity	26,950	29,983	1,555	1,813
Non-Current Liabilities				
Borrowings	25,745	24,708	157	230
Amount due to directors	1,484	1,352	-	-
Provision	356	356	-	-
Total Non-Current Liabilities	27,585	26,416	157	230
Current Liabilities				
Trade and other payables	7,962	6,696	382	392
Amount due to subsidiaries	-	-	1,204	811
Amount due to non-controlling interest	24	24	-	-
Borrowings	2,126	2,268	219	288
Current tax liabilities	141	245	-	-
Provision	67	99	-	-
Total Current Liabilities	10,320	9,331	1,805	1,491
Total liabilities	37,905	35,747	1,962	1,721
Total Equity And Liabilities	64,855	65,730	3,517	3,534

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	GROUP			
	30-Sep-16		31-Mar-16	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)		(audited)	
Amount repayable in one year or less, or on demand	2,126		2,268	
Amount repayable after one year	25,745		24,708	
	27,871	-	26,976	-

Details of any collateral:

- a. Bank borrowings are secured by a first legal mortgage over the Group's leasehold property and joint and several personal guarantees provided by the Company's Executive Chairman and Chief Executive Officer.
- b. The carrying amounts of certain plant and equipment of the Group include an amount of S\$326,000 as at 30 September 2016 (31 March 2016: S\$261,139) in respect of assets held under finance leases.
- c. Finance lease liabilities of the Group are effectively secured over the leased beauty, slimming and spa equipment, leased motor vehicles and leased furniture and fittings, as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities. It is also secured by joint and several personal guarantees provided by the Company's Executive Chairman and Chief Executive Officer and corporate guarantee from the Company.
- d. The bank overdraft are secured by the following:
 - Joint and several personal guarantees provided by the Company's Executive Chairman and Chief Executive Officer
 - Corporate guarantee from the Company; and
 - Negative pledge over all assets of a subsidiary

1(c)(i) A statement of cash flows(for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	For the financial year ended	
	30/9/2016	30/9/2015
	(unaudited)	(unaudited)
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before income tax	(3,059)	(452)
Adjustments for:-		
Depreciation of property, plant and equipment	329	490
Finance costs	367	336
Effect of foreign exchange rate changes	32	47
Operating loss before working capital changes	<u>(2,331)</u>	<u>421</u>
Working capital changes:-		
Inventories	50	41
Trade and other receivables	358	73
Trade and other payables	1,250	(1,600)
Cash generated from operations	<u>(673)</u>	<u>(1,065)</u>
Income tax paid	(129)	(58)
Net cash (used) / generated from operating activities	<u>(802)</u>	<u>(1,123)</u>
Cash flows from investing activities		
Loan repayment from / (Loan to) non-controlling interest	-	4,906
Purchase of property, plant and equipment	(230)	(273)
Net cash generated / (used) in investing activities	<u>(230)</u>	<u>4,633</u>
Cash flows from financing activities		
Capital injection from Non-controlling interest		490
Proceeds from bank borrowings	1,900	1,610
Repayment of bank borrowings	(945)	(5,608)
Repayment of finance lease liabilities	(26)	(92)
Loan advances from directors	132	20
Interest paid	(364)	(336)
Net cash (used) / generated from financing activities	<u>697</u>	<u>(3,916)</u>
Net (decrease)/increase in cash and cash equivalents	(335)	(406)
Cash and cash equivalents at beginning of the financial period	685	1,623
Effects of foreign exchange on cash and cash equivalents	4	13
Cash and cash equivalents at end of the financial period	<u>354</u>	<u>1,230</u>

1(c)(ii) Cash and cash equivalents

	GROUP	
	<u>30-Sep-16</u>	<u>30-Sep-15</u>
	(unaudited)	(unaudited)
	S\$'000	S\$'000
Cash and bank balances	499	1,422
Fixed deposits	-	15
Cash and cash equivalents as per statement of financial position	499	1,437
Bank overdraft	(145)	(207)
Cash and cash equivalents per consolidated statement of cash flows	354	1,230

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Group				Attributable to owners of the Company	Non-controlling interest	Total
	Share Capital	Foreign Currency		Retained Earnings			
		Merger Reserve	Translation Reserve				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2016	4,818	(927)	193	6,422	10,506	19,493	29,999
Total comprehensive loss for the financial year	-	-	35	(3,390)	(3,354)	305	(3,049)
Balance as at 31 September 2016	4,818	(927)	228	3,032	7,152	19,798	26,950

	Attributable to equity holders of the Group				Attributable to owners of the Company	Non-controlling interest	Total
	Share Capital	Foreign Currency		Retained Earnings			
		Merger Reserve	Translation Reserve				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2015	4,818	(927)	200	10,261	14,352	18,466	32,818
Total comprehensive loss for the financial year	-	-	(12)	(726)	(738)	212	(526)
Balance as at 31 September 2015	4,818	(927)	188	9,535	13,614	19,393	33,007

	Attributable to equity holders of the Company		
	Share Capital	Retained Earnings	
		S\$'000	S\$'000
	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2016	4,818	(3,005)	1,813
Total comprehensive loss for the financial year	-	(258)	(258)
Balance as at 31 September 2016	4,818	(3,263)	1,555

	Share Capital	Retained Earnings	
		S\$'000	S\$'000
		S\$'000	S\$'000
Balance as at 1 April 2015	4,818	(2,786)	2,032
Total comprehensive loss for the financial year	-	(219)	(219)
Balance as at 31 September 2015	4,818	(3,005)	1,813

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

<u>Issued and Paid-Up Capital</u>	<u>No of shares</u>	<u>Share Capital</u> S\$
Issued and paid-up capital as at 30 September 2016 and 31 March 2016	163,495,140	4,817,859

There was no change in the Company's share capital from 31 March 2016 up to 30 September 2016.

There were no outstanding convertibles or treasury shares as at 30 September 2015 and 30 September 2016.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<u>30/09/2016</u>	<u>31/03/2016</u>
Total number of issued shares	163,495,140	163,495,140

There were no treasury shares as at 30 September 2016 and 31 March 2016.

- 1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the current financial period reported on.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.**

The Group and the Company had applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period reporting on as in the latest audited financial statements for the financial year ended 31 March 2016, except for the adoption of the new and revised Financial Reporting Standards ("FRS"), Interpretations of FRS ("INT FRS") and amendments to FRSs that are relevant to its operations and effective for annual periods beginning on or after 1 April 2016.

5. **If there were any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Company and the Group had adopted the new and revised FRSs, INT FRSs and amendments to FRSs that are relevant to its operations and effective for annual periods beginning 1 April 2016, as mentioned in Paragraph 4 above. The adoption has no material financial impact on the financial statements of the Group and the Company for the current financial period reported on.

6. **(Loss)/Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	GROUP	
	Six months ended	
	<u>30/09/2016</u> (unaudited)	<u>30/09/2015</u> (unaudited)
Loss per ordinary share for the financial period:		
(a) Based on weighted average number of ordinary shares on issue	(2.05 cents)	(0.44 cents)
(b) On a fully diluted basis	(2.05 cents)	(0.44 cents)

Notes:

- a. Basic (loss) per ordinary share for the 6-month financial period ended 30 September 2016 and 6-month financial period ended 30 September 2015 had been calculated by dividing the (loss) for the financial period attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the respective financial period under review of 163,495,140 shares.
- b. Fully diluted (loss) per ordinary share is the same as basic (loss) per ordinary share as there was no potentially dilutive instrument as at 30 September 2015 and 30 September 2016 respectively.
7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

	GROUP		COMPANY	
	<u>30/09/2016</u> (unaudited)	<u>31/03/2016</u> (audited)	<u>30/09/2016</u> (unaudited)	<u>31/03/2016</u> (audited)
Net assets value per ordinary share based on issued share capital as at end of the financial year/period reported on	4.37 cents	6.43 cents	0.95 cents	1.11 cents
^N No. of ordinary shares	163,495,140	163,495,140	163,495,140	163,495,140

Net asset value per ordinary share of the Group and Company is calculated by dividing net asset value of the Group and Company respectively by the number of issued ordinary shares of 163,495,140 as at 30 September 2016 (31 March 2016: 163,495,140).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, asset or liabilities of the group during the current financial period reported on.**

a. **Income Statement**

6-months financial period from 1 April 2016 to 30 September 2016 ("6M2017") vs. 6-months financial period from 1 April 2015 to 30 September 2015 ("6M2016")

Revenue

The Group recorded revenue of S\$4.7 million for 6M2017, a decreased of S\$3.3 million or 41.8% from S\$8.0 million for 6M2016. The decrease in revenue was mainly due to lower sales revenue from services rendered and closure of two outlets due to economic slowdown.

Other operating income

The Group's other operating income decreased by S\$32,000 or 8.8% from S\$365,000 in 6M2016 to S\$333,000 in 6M2017. The decrease was mainly due to the absence of the income from training for health management in 6M2017.

Purchase and related costs

The Group's purchases and related costs increased marginally by S\$4,000 or 1.6% from S\$271,000 in 6M2016 to S\$275,000 in 6M2017 due to higher packaging costs related to events.

Changes in inventories

Changes in inventories arose from utilization in the current period.

Depreciation of property, plant and equipment

Depreciation decreased by S\$113,000 or 23.1% from S\$490,000 in 6M2016 to S\$377,000 in 6M2017 as some of the property, plant and equipment had been fully depreciated during 6M2017 offset by new purchases.

Staff costs

Staff costs decreased by S\$0.4 million or 10.7% from S\$3.5 million in 6M2016 to S\$3.2 million in 6M2017. The decrease was mainly due to shortage of manpower as a result of the suspension on hiring imposed by the authority when the investigation on manpower charges was on-going and lower commission payout in tandem with lower sales.

Operating lease expenses

Operating lease expenses increased by \$87,000 or 4.2% from S\$2.0 million in 6M2016 to S\$2.1 million in 6M2017, mainly due to new rental for the direct selling business in Malaysia and increase in rental for some of the Singapore outlets, which was offset by saving in rental arising from the closure of two outlets.

Other operating expenses

Other operating expenses decreased by S\$0.4 million or 20.3% from S\$2.1 million in 6M2016 to S\$1.7 million in 6M2017. The decrease was mainly due to lower spending on advertising and promotion, consultation fees, bank and credit card charges and exhibitions costs offset by increase in foreign exchange losses.

Loss from operations

As a result of the above mentioned, the Group's loss from operations increased from S\$0.1 million in 6M2016 to S\$2.7 million in 6M2017.

Finance costs

The Group's finance costs increased by S\$31,000 or 9.1% from S\$336,000 in 6M2016 to S\$367,000 in 6M2017 due to increased borrowings.

Net loss

As a result of the above factors, the Group had reported a total comprehensive loss attributable to equity holders of the Company of S\$3.4 million in 6M2017, as compared to S\$ 0.7 million in 6M2016.

b. Statement of Financial Position

Property, plant and equipment decreased by S\$98,000 from S\$4.9 million as at 31 March 2016 to S\$4.8 million as at 30 September 2016 mainly due to the depreciation charge and translation difference, which was partially offset by investment in new motor vehicle, beauty, slimming and spa equipment.

Trade and other receivables decreased by S\$0.2 million from S\$0.4 million as at 31 March 2016 to S\$0.2 million as at 30 September 2016 due to lower revenue.

Bank loans (secured) increased by S\$1.0 million from S\$24.7 million as at 31 March 2016 to S\$25.7 million as at 30 September 2016 mainly due to drawdown of S\$1.9 million offset by repayment of \$0.9 million.

Trade and other payables increased by S\$1.3 million from S\$6.7 million as at 31 March 2016 to S\$8.0 million as at 30 September 2016, the increase came from extended credit terms from vendors.

Working capital/cash flow

The negative working capital of S\$8.2 million as at 30 September 2016 was mainly due to bank borrowings of S\$2.1 million and billings in advance for treatment packages of S\$ 1.8 million. These billings in advance for treatment packages were not refundable and will only be recognized as revenue after the services has been rendered as required by the financial accounting standards. The Directors are of the view that the Group is able to meet its short-term obligations as and when they fall due as the Executive Chairman and Chief Executive Officer have committed to provide continual financial support to the Group.

Cash and Cash Equivalent

Cash and cash equivalent decreased from S\$0.9 million as at 31 March 2016 to S\$0.5 million as at 30 September 2016 mainly due to loan repayment, purchase of new motor vehicle, equipment and operating activities, which was offset by bank borrowings.

c. Statement of Cash Flows

Net cash outflow from operating activities in 6M2017 of S\$0.8 million was mainly due to the loss before income tax, offset by higher trade and other payables, lower trade and other receivables and adjustments for depreciation of property, plant and equipment and finance costs.

The Group had a net cash outflow of S\$0.2 million from investing activities in 6M2017 which was due to purchase of property, plant and equipment and motor vehicle.

The Group's net cash inflow from financing activities of S\$0.7 million in 6M2017 was mainly due to proceeds of bank borrowings of S\$1.9 million, offset by partial repayment of borrowings of S\$0.9 million and interest paid of S\$0.4 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or a prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group expects the operating environment to remain challenging amid weak consumer sentiments, rising cost and tight labour market. In view of the constraint on the staff availability, the Group is re-looking its product and service mix.

During the period, the Group was awarded the Direct Sales License by the Ministry of Domestic Trade and Consumer Affairs of Malaysia in June 2016. With this award of license, the Group plans to launch its new direct selling business by the first quarter of 2017.

In line of the new challenges, the Group will re-strategise and continue to identify opportunities to provide more service/product offerings.

11. Dividend

(a) Current Financial Period Reported On

No dividend has been declared or recommended for the current financial period reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared/recommended for the current financial period.

13. Interested person transactions (“IPTs”)

The Group does not have a general mandate for IPTs.

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 <u>Rule 920</u>) (S\$'000)	Aggregate value of all IPTs conducted under shareholder's mandate pursuant to <u>Rule 920</u> (excluding transactions less than S\$100,000) (S\$'000)
JL Asia Resources Pte Ltd ⁽¹⁾ Operating lease rental income	762	-

Notes:

- (1) JL Asia Resources Pte Ltd (“**JL Asia**”) is wholly-owned by Mr Lee Boon Leng (“**Mr Lee**”), who is the spouse of Ms. Ho Yow Ping (He YouPing), the Chief Executive Officer of the Company. The lease of the premises to operate the hotel entered into between Hotel Culture Pte Ltd and JL Asia was renewed on 14 February 2014 for a term of three years. JL Asia leases and operates the hotel.

14. Negative Confirmation pursuant to Rule 705(5)

We, Chia Ah Tow Mary and Ho Yow Ping (He YouPing), being the Directors of Mary Chia Holdings Limited (the “**Company**”), hereby confirm on behalf of Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements for the half year ended 30 September 2016 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under pursuant to Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officer in the required format.

BY ORDER OF THE BOARD

Ho Yow Ping (He YouPing)
Chief Executive Officer
14 November 2016

This announcement has been prepared by Mary Chia Holdings Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.