

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

UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2017

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		Variance \$'000	Variance %
	For the 6 months period ended			
	30-Sep-17 Unaudited \$'000	30-Sep-16 Unaudited \$'000		
Revenue	4,517	4,664	(147)	-3.2%
Other operating income	40	333	(293)	-88.0%
Purchases and related costs	(190)	(275)	85	-30.9%
Changes in inventories	41	(45)	n/m	n/m
Depreciation of property, plant and equipment	(227)	(377)	150	-39.8%
Staff costs	(2,856)	(3,155)	299	-9.5%
Operating lease expenses	(1,698)	(2,133)	435	-20.4%
Other operating expenses	(1,727)	(1,704)	(23)	1.3%
Finance costs	(509)	(367)	(142)	38.7%
Loss before income tax	(2,609)	(3,059)	450	-14.7%
Income tax expenses	(54)	(25)		
Loss for the financial period, net of tax	(2,663)	(3,084)	421	-13.7%
Other comprehensive loss for the year, net of tax items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	(57)	35	n/m	n/m
Total comprehensive loss for the year	(2,720)	(3,049)	329	-10.8%
Loss attributable to:				
Equity holders of the Company	(2,895)	(3,389)	494	-14.6%
Non-controlling interest	232	305	(73)	-23.9%
	(2,663)	(3,084)	421	-13.7%
Comprehensive Loss attributable to:				
Equity holders of the Company	(2,952)	(3,354)	402	-12.0%
Non-controlling interest	232	305	(73)	-23.9%
	(2,720)	(3,049)	329	-10.8%

n/m: not meaningful

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

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

	Group		Variance \$'000	Variance %
	For the 6 months period ended			
	30-Sep-17	30-Sep-16		
	Unaudited	Unaudited		
	\$'000	\$'000		
Exchange (Gain)/ Loss	(27)	261	n/m	n/m
Advertising and Marketing Expenses	39	309	(270)	-87.4%
Legal and professional fees	325	179	146	81.6%
Final Award under arbitration proceeding	580	-	n/m	n/m

n/m: not meaningful

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	
	As at		As at	
	30-Sep-17	31-Mar-17	30-Sep-17	31-Mar-17
	Unaudited	Audited	Unaudited	Audited
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	4,030	4,047	-	-
Investment property	57,000	57,000	-	-
Investment in subsidiaries	-	-	1,265	1,265
Deferred tax assets	-	-	-	-
Other assets	584	386	-	-
	61,614	61,433	1,265	1,265
Current Assets				
Inventories	444	402	-	-
Trade and other receivables	291	386	1,033	932
Other assets	1,014	1,002	8	4
Cash and bank balances	585	767	-	-
	2,334	2,557	1,041	936
Total Assets	63,948	63,990	2,306	2,201
EQUITIES AND LIABILITIES				
Capital and Reserves				
Share capital	4,818	4,818	4,818	4,818
Reserves	(3,161)	(335)	(10,298)	(9,988)
Attributable to equity holders of the Company	1,657	4,483	(5,480)	(5,170)
Non-controlling interest	19,441	19,209	-	-
Total Equity	21,098	23,692	(5,480)	(5,170)
Non-Current Liabilities				
Finance lease liabilities	197	206	-	-
Borrowings	22,948	22,272	-	-
Amount due to directors	3,647	3,461	-	-
Provision	190	195	-	-
	26,982	26,134	-	-
Current Liabilities				
Trade and other payables	7,248	6,821	7,718	7,141
Amount due to related parties	1,424	24	-	-
Finance lease liabilities	56	74	-	-
Borrowings	6,564	6,615	53	-
Bank overdraft	96	100	15	230
Current tax liabilities	217	268	-	-
Provision	263	262	-	-
	15,868	14,164	7,786	7,371
Total Liabilities	42,850	40,298	7,786	7,371
Total Equity and Liabilities	63,948	63,990	2,306	2,201

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

	Unaudited		Audited	
	As at 30-Sep-17		As at 31-Mar-17	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	6,716	-	6,789	-
Amount repayable after one year	23,145	-	22,478	-
	<u>29,861</u>	<u>-</u>	<u>29,267</u>	<u>-</u>

Details of any collateral:

- a. Bank borrowings amounting to S\$29.5 million as at 30 September 2017 (31 March 2017: S\$28.9 million) comprises of term loans, an amalgamated term loan and revolving working capital loans. Term loans are secured by the Group's investment/ leasehold properties ("**Properties**"). The amalgamated term loan is secured by the Properties, fixed and floating charges on personal properties associated with the Properties, existing deed of proportionate guarantee from a non-controlling interest of a subsidiary, and a corporate guarantee from the Company. Revolving working capital loans are secured by the Properties, joint and several personal guarantees provided by the Company's CEO Ms Ho Yow Ping (He YouPing) ("**CEO**") and Ms Mary Chia Ah Tow ("**Ms Mary Chia**")¹.
- b. Finance lease liabilities amounting to S\$253,000 as at 30 September 2017 (31 March 2017: S\$280,000) are secured over the leased equipment, motor vehicles and furniture and fittings, as the respective 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 CEO and the Ms Mary Chia¹ and a corporate guarantee from the Company. The carrying amounts of these plant and equipment held under finance leases amounted to S\$198,000 as at 30 September 2017 (31 March 2017: S\$247,000).
- c. Bank overdrafts amounting to S\$96,000 as at 30 September 2017 (31 March 2017: S\$100,000) are secured by joint and several personal guarantees provided by the CEO and Ms Mary Chia¹, a corporate guarantee from the Company and a negative pledge over all assets of a subsidiary.

Note 1

Under the sales and purchase agreement dated 24 August 2017 entered into between Suki Sushi Pte Ltd ("**Suki Sushi**") and Ms Mary Chia on Suki Sushi's acquisition of 60.98% of shares of the Company from Ms Mary Chia, Suki Sushi has undertaken to use its best efforts to procure the release of all the personal guarantees that Ms Mary Chia has provided in favour of financial institutions and other relevant third parties to secure facilities taken up by the Group. As at the date of this announcement, Suki Sushi is in the process of procuring the release of the personal guarantees of Ms Mary Chia.

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 6 months period ended	
	30-Sep-17	30-Sep-16
	Unaudited	Unaudited
	\$'000	\$'000
Cash Flow from Operating Activities		
Loss before taxation	(2,609)	(3,059)
Adjustments for:		
Depreciation of property, plant and equipment	227	329
Finance costs	509	367
Effect of foreign exchange rate changes	(91)	32
Operating loss before working capital changes	(1,964)	(2,331)
Changes in inventories	(42)	50
Changes in trade and other receivables	49	358
Changes in trade and other payables	259	1,250
Cash used in operations	(1,698)	(673)
Income tax paid	(104)	(129)
Net cash used in operating activities	(1,802)	(802)
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(173)	(230)
Loans from related parties	1,400	-
Net cash generated from/ (used in) from investing activities	1,227	(230)
Cash Flows from financing activities		
Proceeds from bank borrowings	1,480	1,900
Repayment of bank borrowings	(855)	(945)
Interest paid	(386)	(364)
Repayment of finance lease liabilities	(27)	(26)
Increase in amounts due from directors	186	132
Net cash generated from financing activities	398	697
Net changes in cash and cash equivalents	(177)	(335)
Cash and cash equivalents at beginning of the financial period	667	685
Effects of foreign exchange on cash and cash equivalents	(1)	4
Cash and cash equivalents at end of the financial period	489	354

1(c)(ii) Cash and cash equivalents

	Group	
	As at	
	30-Sep-17	30-Sep-16
	Unaudited	Unaudited
	\$'000	\$'000
Cash and bank balances as per statement of financial position	585	499
Bank overdraft	(96)	(145)
Cash and cash equivalents as per statement of cash flows	<u>489</u>	<u>354</u>

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.

Group	Share capital	Merger reserve	Foreign currency translation reserve	Retained earnings	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 April 2017	4,818	(927)	122	470	4,483	19,209	23,692
Loss for the financial period				(2,895)	(2,895)	232	(2,663)
Exchange differences on translation of foreign operations	-	-	(57)	-	(57)		(57)
Total comprehensive loss for the financial period	-	-	(57)	(2,895)	(2,952)	232	(2,720)
Imputed interest on shareholders' loans				126	126		126
Total transactions with owners, recognised directly in equity				126	126		
Balance as at 30 September 2017	4,818	(927)	65	(2,299)	1,657	19,441	21,098
Balance as at 1 April 2016	4,818	(927)	193	6,422	10,506	19,493	29,999
Total comprehensive loss for the financial period	-	-	35	(3,389)	(3,354)	305	(3,049)
Balance as at 30 September 2016	4,818	(927)	228	3,033	7,152	19,798	26,950
Company	Share capital	Retained earnings					
	\$'000	\$'000	Total equity				
			\$'000				
Balance as at 1 April 2017	4,818	(9,988)	(5,170)				
Total comprehensive loss for the financial period		(310)	(310)				
Balance as at 30 September 2017	4,818	(10,298)	(5,480)				
Balance as at 1 April 2016	4,818	(3,005)	1,813				
Total comprehensive loss for the financial period	-	(258)	(258)				
Balance as at 30 September 2016	4,818	(3,263)	1,555				

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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>No of shares</u>	<u>Share Capital</u> S\$
Issued and paid-up capital as at 30 September 2017 and 31 March 2017	163,495,140	4,817,859

There was no change in the Company’s share capital from 31 March 2017 up to 30 September 2017.

There were no outstanding convertibles, treasury shares and subsidiary holdings as at 30 September 2017 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>30/09/2017</u>	<u>31/03/2017</u>
Total number of issued shares	163,495,140	163,495,140

There were no treasury shares as at 30 September 2017 and 31 March 2017.

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

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

1(d)(v) A statement showing all sales, transfer, cancellation and/or use of subsidiary holding as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

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

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 Company and the Group 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 2017, 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 2017.

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 2017, as mentioned in Paragraph 4 above. The adoption has no material financial impact on the financial statements of the Company and the Group for the current financial period reported on.

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

	<u>Group</u>	
	<u>For the 6 months period ended</u>	
	<u>30-Sep-17</u>	<u>30-Sep-16</u>
	Unaudited	Unaudited
Loss per share attributable to equity holders of the Company		
- Basic loss per share (Cents)	(1.77)	(2.07)
- Diluted loss per share (Cents)	(1.77)	(2.07)

Notes:

a. Basic loss per ordinary share had been calculated by dividing the loss for the respective financial period attributable to the equity holders 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 2017 and 30 September 2016 respectively.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares (excluding treasury shares) of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	<u>30-Sep-17</u> Unaudited	<u>31-Mar-17</u> Audited	<u>30-Sep-17</u> Unaudited	<u>31-Mar-17</u> Audited
Net asset value per ordinary share based on issued share capital as at the end of the financial period/ year reported on (Cents)	1.01	2.74	(3.35)	(3.16)

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 2017 (31 March 2017: 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, assets or liabilities of the group during the current financial period reported on.**

a. Income Statement

The Group recorded revenue of S\$4.5 million for the 6 months financial period ended 30 September 2017 ("**1H2018**"), a decrease of S\$0.2 million or 3.2% from S\$4.7 million for the corresponding prior year period ("**1H2017**"). The decrease in revenue was mainly from the segments of beauty, slimming and spa treatment for men and women, and sales of products, attributed from the closure of retail outlets in Singapore and Malaysia, in line with the Company's cost rationalization efforts. As at 30 September 2017, the Group has a total of 17 retail outlets in Singapore and Malaysia, as compared to 19 outlets as at 30 September 2016.

Other operating income decreased by S\$293,000 or 88.0% from S\$333,000 in 1H2017 to S\$40,000 in 1H2018 due to decreases in government grants.

Changes in inventories reflect the fluctuations in the balances in our inventories as at the beginning and end of the financial periods.

Depreciation decreased by S\$150,000 or 39.8% from S\$377,000 in 1H2017 to S\$227,000 in 1H2018 due to certain plant and equipment being fully depreciated or impaired as at 31 March 2017.

Staff costs decreased by S\$0.3 million or 9.5% from S\$3.2 million in 1H2017 to S\$2.9 million in 1H2018, mainly due to decrease in staff headcount and the then non-executive chairman being on unpaid leave from May to September 2017.

Operating lease expenses decreased by S\$0.4 million or 20.4% from S\$2.1 million in 1H2017 to S\$1.7 million in 1H2018, mainly due to lower rental expenses from both the new office and warehouse in Singapore, and savings from the closure of two and one outlets in Singapore and Malaysia respectively.

Other operating expenses remained unchanged at S\$1.7 million in 1H2018, after an increase due to the final award of S\$0.6 million arising from the arbitration proceedings between Mary Chia Beauty & Slimming Specialist Pte Ltd and Slim Beauty House Co., Ltd in relation to their joint venture and increases in legal and professional fees of S\$0.1 million, partially offset by the decrease in advertising marketing expenses of S\$0.3 million and reduction in exchange losses of S\$0.3 million.

The Group's finance costs increased by S\$142,000 or 38.7% from S\$367,000 in 1H2017 to S\$509,000 in 1H2018 due to increases in borrowings and imputed interest on amounts due to directors of S\$3.6 million and due to related parties of S\$1.4 million. These amounts due to directors and related parties are unsecured and interest free. The imputed interest, calculated solely for accounting purposes only, is taken directly into equity and will not add on to the amounts owing to directors and related parties.

As a result of the above factors, the Group reported a net loss of S\$2.7 million in 1H2018, as compared to S\$3.1 million in 1H2017.

b. Statement of Financial Position

Property, plant and equipment ("PPE") stands at S\$4.0 million as at 31 March 2017 and 30 September 2017 due to depreciation and translation difference, offset by increases in PPE due to renovation of a new retail outlet and investment in beauty, slimming and spa equipment.

Other assets (current and non-current) increased by S\$0.2 million from S\$1.4 million as at 31 March 2017 to S\$1.6 million as at 30 September 2017 due to an increase in rental deposit for a new retail outlet and increase in prepayments via instalments to a non-controlling interest for the acquisition of the balance 30% shareholdings of Scinn Pte. Ltd., as announced on 21 November 2016.

Trade and other receivables decreased slightly by S\$95,000 from S\$0.4 million as at 31 March 2017 to S\$0.3 million as at 30 September 2017 due to lower sales revenue.

Amount due to related parties increased by S\$1.4 million from \$24,000 as at 31 March 2017 to S\$1.4 million arising from the personal loan commitment of S\$2.0 million provided by Mr Lee Boon Leng ("Mr Lee"), being the ultimate controlling shareholder of the Company as disclosed under Note 2 of the Notes to the Financial Statements in the Company's annual report for the financial year ended 31 March 2017 ("FY2017 AR").

Total borrowings increased by S\$0.6 million from S\$29.3 million as at 31 March 2017 to S\$29.9 million as at 30 September 2017 mainly due to a further drawdown of S\$1.5 million of revolving credit facilities offset by repayment of S\$0.9 million of term loans.

Amount due to directors increased by S\$0.2 million from S\$3.4 million as at 31 March 2017 to S\$3.6 million mainly due to accruals of directors' salaries.

Trade and other payables increased by S\$0.4 million from S\$6.8 million as at 31 March 2017 to S\$7.2 million as at 30 September 2017 mainly due to increases in accruals for payroll and rentals.

Working capital/cash flow

The negative working capital of S\$13.5 million as at 30 September 2017 was mainly due to losses incurred over the current and previous financial periods/ years and billings in advance for treatment packages of S\$2.2 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.

c. Statement of Cash Flows

Net cash outflow from operating activities in 1H2018 of S\$1.8 million was mainly due to the loss before taxation, partially offset by higher trade and other payables and adjustments for depreciation of property, plant and equipment and finance costs.

The Group had a net cash inflow of S\$1.2 million from investing activities in 1H2018 due to loans from related parties of S\$1.4 million, partially offset by acquisitions of plant and equipment.

The Group's net cash inflow from financing activities of S\$0.4 million in 1H2018 was mainly due to proceeds of bank borrowings of S\$1.5 million, partially 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 operating costs and tight labour market.

For 1H2018, the Group incurred a net loss of S\$2.7 million, reported a net operating cash outflows of S\$1.8 million and as at 30 September 2017, the Company has a deficit in equity of S\$5.5 million, and the Group's and the Company's current liabilities exceeded the Group's and the Company's current assets by S\$13.5 million and S\$6.7 million respectively (31 March 2017: S\$11.6 million and S\$6.4 million).

These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern and for its listing status to be maintained. Notwithstanding the above, the Directors believe that the use of the going concern assumption in the preparation and presentation of the financial statements for 1H2018 is still appropriate after taking into consideration the following:

- (a) On 24 August 2017, the controlling shareholder of the Company, Suki Sushi Pte. Ltd., has given an undertaking to provide financial support to the Company and the Group for the next 12 months from 7 September 2017.

- (b) Mr Lee, the controlling shareholder of Suki Sushi, and the ultimate controlling shareholder of the Company, has committed a personal loan of S\$2.0 million to the Group with effect from 15 August 2017. As at 30 September 2017, S\$1.4 million of the loan has been drawn down and the remaining balance of S\$0.6 million is available for disbursement any time within 12 months after 15 August 2017.
- (c) The CEO and Ms Mary Chia have given their personal undertakings to provide continuing financial support to the Company and the Group to meet its liabilities and its normal operating expenses to be incurred. They will not demand repayment of the amounts due to them of approximately S\$3.6 million as at 30 September 2017 (31 March 2017: S\$3.4 million) by the Group within 36 months from 24 August 2017 or until the cash flows of the Group permit, whichever is later.

Additionally, the Company will explore options (as and when made available) to enhance its and/or the Group's financial position through discussions with strategic investors and/or partners. The Company is also reviewing the option of disposing the investment/leasehold properties to generate liquidity and relieve the Company's existing debt obligations.

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 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	4.5	-
Suki Sushi ² Operating lease rental expense	0.1	-

Notes:

1. JL Asia Resources Pte Ltd (“JL Asia”) is wholly-owned by Mr Lee, being the controlling shareholder of Suki Sushi, is the ultimate controlling shareholder of the Company, and the spouse of the CEO. JL Asia leases the investment property from the Group to operate a hotel. The lease of the premises entered into between Hotel Culture Pte Ltd and JL Asia was renewed on 24 April 2017 for a term of three years commencing on 15 February 2017 and expiring on 14 February 2020. At a monthly rental of S\$125,000, the aggregate value of the IPT under the three years lease and the six months period in 1H2018 will be S\$4.5 million and S\$750,000 respectively.
2. As announced on 9 May 2017, the Company entered into a rental agreement with Suki Sushi to lease the premises of 26 Tai Seng Street #01-03A for approximately 22 months from 1 April 2017 to 23 January 2019 at a monthly rental of S\$6,239 for, *inter alia*, retail distribution and marketing purposes. The aggregate value of the IPT under the approximate 22 months lease and the six months period in 1H2018 will be approximately S\$137,000 and \$37,000 respectively.

14. Negative Confirmation pursuant to Rule 705(5)

Ho Yow Ping (He YouPing) and David Yeung, being directors of Mary Chia Holdings Limited (the “Company”), hereby confirm on behalf of the 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 2017 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 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
28 February 2018

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

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

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).