

MARY CHIA HOLDINGS LIMITED

(Incorporated in Singapore with Unique Entity No.: 200907634N)
SGX Stock Code: 50X

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

PART I - 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			
	For the 12 month periods ended		Variance	Variance
	31-Mar-21	31-Mar-20		
	S\$'000	\$'000	S\$'000	%
Revenue	9,012	8,791	221	3
Other operating income	2,059	604	1,455	>100
Purchases and related costs	(1,387)	(339)	(1,048)	>100
Changes in inventories	(65)	(84)	19	(23)
Depreciation of plant and equipment	(159)	(457)	298	(65)
Depreciation of right-of-use assets	(985)	(2,020)	1,035	(51)
Staff cost	(4,931)	(5,760)	829	(14)
Operating lease expenses	(121)	(391)	270	(69)
Other operating expenses	(2,432)	(9,627)	7,195	(75)
Finance cost	(311)	(375)	64	(17)
Profit/(Loss) before income tax	680	(9,658)	10,338	N.M
Income tax (expense)/credit	(127)	25	(152)	N.M
Profit/(Loss) for the financial period	553	(9,633)	10,186	N.M
Other comprehensive income for the year, net of tax				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	70	5	65	>100
Other comprehensive income for the period, net of tax	70	5	65	>100
Total comprehensive income/(loss) for the period	623	(9,628)	10,251	N.M
Profit/(loss) attributable to:				
Equity holders of the Company	498	(9,158)	9,656	N.M
Non-controlling interests	55	(475)	530	N.M
	553	(9,633)	10,186	N.M
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	568	(9,153)	9,721	N.M
Non-controlling interests	55	(475)	530	N.M
	623	(9,628)	10,251	N.M

N.M : not meaningful

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

Loss before income tax is determined after charging:

	Group			
	For the 12 month periods ended		Variance	Variance
	31-Mar-21	31-Mar-20		
	S\$'000	\$'000	S\$'000	%
Finance costs	311	375	(64)	(17)
Advertising and marketing expenses	165	625	(460)	(74)
Member incentives	33	188	(155)	(82)
Legal and professional fees	346	243	103	42
Foreign exchange (gain)/loss	(52)	1	(53)	N.M
Depreciation of plant and equipment	159	457	(298)	(65)
Depreciation of right-of-use assets	985	2,020	(1,035)	(51)
Gain from disposal plant and equipment	(3)	-	(3)	N.M
Gain from disposal right-of-use assets	-	(35)	35	N.M
Government grants and subsidies	(1,080)	(113)	(967)	>100
Rental rebates	(775)	-	(775)	N.M
Plant and equipment written off	25	4	21	>100
Amortisation of Intangible assets	11	-	11	N.M
Impairment loss on trade receivables	-	24	(24)	N.M
Impairment loss on plant and equipment	-	1,462	(1,462)	N.M
Impairment loss on right-of-use assets	-	4,540	(4,540)	N.M
Inventory written off	-	47	(47)	N.M
Bad debts written off - trade receivables	-	159	(159)	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	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-Current Assets				
Plant and equipment	1,274	117	2	4
Right-of-use assets	3,228	308	-	-
Intangible assets	113	-	-	-
Derivative financial instruments	203	-	-	-
Goodwill	2,378	-	-	-
	7,196	425	2	4
Current Assets				
Inventories	664	446	-	-
Trade and other receivables	2,254	280	13,760	7,598
Other assets	1,239	917	24	9
Cash and cash equivalents	1,205	1,747	96	997
	5,362	3,390	13,880	8,604
Total Assets	12,558	3,815	13,882	8,608
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	12,503	6,878	12,503	6,878
Reserves	(18,667)	(18,894)	(10,038)	(9,339)
Non-controlling interests	1,074	1,038	-	-
Total Equity	(5,090)	(10,978)	2,465	(2,461)
Non-Current Liabilities				
Lease liabilities	2,031	2,988	-	-
Borrowings	374	-	-	-
Provision	196	196	-	-
	2,601	3,184	-	-
Current Liabilities				
Trade and other payables	7,504	7,711	11,417	11,069
Borrowings	336	-	-	-
Lease liabilities	4,585	2,041	-	-
Contract liabilities	2,264	1,679	-	-
Provision	175	177	-	-
Current tax liabilities	183	1	-	-
	15,047	11,609	11,417	11,069
Total Liabilities	17,648	14,793	11,417	11,069
Total Equity and Liabilities	12,558	3,815	13,882	8,608

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

	GROUP			
	31-Mar-21		31-Mar-20	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	336	-	-	-
Amount repayable after one year	374	-	-	-
	710	-	-	-

Details of any collateral

The Group's borrowings are secured by a personal guarantee provided by Ms Ho Yow Ping, Executive Chairman and Chief Executive Director of the Company, Lee Eng Tat and a corporate guarantee from M2 Group Pte Ltd, a wholly-owned subsidiary of the Company.

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

	Group	
	Year ended	
	31-Mar-21	31-Mar-20
	S\$'000	S\$'000
Cash Flows from Operating Activities		
Profit/(Loss) before taxation	680	(9,658)
Adjustments for:		
Depreciation of plant and equipment	159	457
Depreciation of right-of-use assets	985	2,020
Amortisation of intangible assets	11	-
Finance expenses	311	375
Plant and equipment written off	25	4
Impairment loss on plant and equipment	-	1,462
Impairment loss on right-of-use assets	-	4,540
Gain on disposal of right-of-use assets	-	(35)
Gain from disposal of property, plant and equipment	(3)	-
Operating Profit/(Loss) before working capital changes	2,168	(835)
Change in inventories	68	(11)
Change in trade and other receivables	(720)	682
Change in trade and other payables	1,047	(1,145)
Cash generated from/(used in) operations	2,563	(1,309)
Income tax (paid)/refunded	(98)	5
Net cash generated from/(used in) operating activities	2,465	(1,304)
Cash Flows from Investing Activities		
Additions of plant and equipment	(1,105)	(977)
Acquisition of a subsidiary, net of cash acquired	(295)	-
Proceeds from disposal of right-of-use assets	-	35
Proceeds from disposal of plant and equipment	31	-
Net cash used in investing activities	(1,369)	(942)
Cash Flows from Financing Activities		
Proceeds from issuance of ordinary shares	800	2,000
Proceeds from borrowings	100	-
Repayment of borrowings	(83)	-
Repayment of lease liabilities	(2,392)	(1,851)
Interest paid	(63)	(266)
Restricted cash used	-	385
Changes in amount due from related parties	-	(105)
Changes in amount due to related parties	-	157
Repayment of cash advance to a current director	-	(16)
Net cash (used in)/generated from financing activities	(1,638)	304
Net changes in cash and cash equivalents	(542)	(1,942)
Cash and cash equivalents at beginning of period	1,127	3,069
Cash and cash equivalents at end of period	585	1,127

1(c)(i) Cash and cash equivalents

	GROUP	
	As at	
	<u>31-Mar-21</u>	<u>31-Mar-20</u>
	S\$'000	S\$'000
Cash and cash equivalents per statement of financial position	1,205	1,747
Cash under restriction of use in a subsidiary to be liquidated	(502)	(502)
Fixed deposits pledged to rental agreements	(118)	(118)
	<u>585</u>	<u>1,127</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

	Attributable to equity holders of the Group							
	Share Capital S\$'000	Merger Reserve S\$'000	Capital Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Losses S\$'000	Attributable to owners of the Company S\$'000	Non- controlling interest S\$'000	Total Equity S\$'000
Balance as at 1 April 2020	6,878	(927)	(399)	(311)	(17,257)	(12,016)	1,038	(10,978)
Profit for the period	-	-	-	-	498	498	55	553
Other comprehensive income								
- Foreign currency translation differences	-	-	-	70	-	70	-	70
Total comprehensive income for the financial period	-	-	-	70	498	568	55	623
Contributions by and distributions to owners								
Issuance of shares	5,625	-	(341)	-	-	5,284	-	5,284
Non-controlling interests arising from business combinations	-	-	-	-	-	-	(19)	(19)
Total transactions with owners, recognised directly in equity	5,625	-	(341)	-	-	5,284	(19)	5,265
Balance as at 31 March 2021	12,503	(927)	(740)	(241)	(16,759)	(6,164)	1,074	(5,090)

	Share Capital S\$'000	Merger Reserve S\$'000	Capital Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated Losses S\$'000	Attributable to owners of the Company S\$'000	Non- controlling interest S\$'000	Total Equity S\$'000
Balance as at 1 April 2019	4,818	(927)	(399)	(316)	(7,978)	(4,802)	1,513	(3,289)
Loss for the period	-	-	-	-	(9,158)	(9,158)	(475)	(9,633)
Other comprehensive loss								
- Foreign currency translation differences	-	-	-	5	-	5	-	5
Total comprehensive loss for the financial period	-	-	-	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 adjustment to interest-free loans from shareholders	-	-	-	-	(121)	(121)	-	(121)
Total transactions with owners, recognised directly in equity	2,060	-	-	-	(121)	1,939	-	1,939
Balance as at 31 March 2020	6,878	(927)	(399)	(311)	(17,257)	(12,016)	1,038	(10,978)

Statement of Changes in Equity (Cont'd)

Company

Balance as at 1 April 2020
Loss for the period
Total comprehensive profit for the financial period
Issuance of shares
Balance as at 31 March 2021

Attributable to equity holders of the Company

Share Capital S\$'000	Capital Reserve S\$'000	Accumulated Losses S\$'000	Total S\$'000
6,878	-	(9,339)	(2,461)
-	-	(358)	(358)
-	-	(358)	(358)
5,625	(341)	-	5,284
12,503	(341)	(9,697)	2,465

Balance as at 1 April 2019
Loss for the year
Total comprehensive loss for the financial period
Issuance of shares
Balance as at 31 March 2020

Share Capital S\$'000	Capital Reserve S\$'000	Accumulated Losses S\$'000	Total S\$'000
4,818	-	(4,786)	32
-	-	(4,553)	(4,553)
-	-	(4,553)	(4,553)
2,060	-	-	2,060
6,878	-	(9,339)	(2,461)

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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\$
As at 31 March 2020	190,961,806	6,877,859
Issuance of shares pursuant to Subscription Exercise ⁽¹⁾	5,555,556	800,000
Issuance of shares pursuant to Acquisition ⁽²⁾	6,666,667	1,000,000
Issuance of shares pursuant to Debt Conversion ⁽³⁾	25,500,000	3,825,000
As at 31 March 2021	228,684,029	12,502,859

Note: -

- (1) The Company had, on 27 October 2020, announced that it had entered into a subscription agreement with I Concept Global Growth Fund (the "**Subscriber**"), where the Subscriber subscribed for 5,555,556 new ordinary shares ("**Subscription Shares**") at an issue price of S\$0.144 for each Subscription Share amounting to an aggregate cash consideration of S\$800,000 ("**Subscription Exercise**"). The 5,555,556 Subscription Shares were issued and allotted on 20 November 2020 and the Subscription Exercise completed.
- (2) The Company had, on 27 October 2020, announced that it had entered into sale and purchase agreement ("**SPA**") with Mr Lee Eng Tat. Pursuant to the SPA, the Company will acquire 80% of the issued share capital of the Monsoon Hairdressing group of companies from Mr Lee Eng Tat for an aggregate consideration of S\$3,046,456 ("**Aggregate Consideration**") ("**Acquisition**"). The Company issued 6,666,667 new ordinary shares ("**Consideration Shares**") at an issue price of S\$0.15 for each Consideration Share amounting to an aggregate cash consideration of S\$1,000,000 as partial settlement of the Aggregate Consideration. The 6,666,667 Consideration Shares were issued and allotted on 24 November 2020.
- (3) The Company had, on 2 March 2021, announced that it had entered into a conditional debt capitalization agreement with Ms Ho Yow Ping, Madam Chia Ah Tow and JL Asia Resources Pte Ltd (the "**Participating Creditors**"), for the proposed debt conversion and issue of conversion shares as settlement of the aggregate debt amounting to S\$3,825,000 owing to the Participating Creditors, into 25,500,000 new ordinary shares in the capital of the Company ("**Conversion Shares**") at the conversion price of S\$0.15 per Conversion Share ("**Debt Conversion**"). The 25,500,000 Conversion Shares were issued and allotted on 25 March 2021 and the Debt Conversion completed.

There were no outstanding convertibles, treasury shares and subsidiary holdings as at 31 March 2021 and 31 March 2020. In respect of the Acquisition, approximately S\$523,228 of the Aggregate Consideration will be payable on 31 December 2021 pursuant to the issuance of Consideration Shares at the issue price of S\$0.15 per Consideration Share, provided that the FY2021 consolidated management accounts of the Monsoon Hairdressing group of companies is not in a net liability position.

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>31-Mar-21</u>	<u>31-Mar-20</u>
Total number of issued shares	228,684,029	190,961,806

There were no treasury shares as at 31 March 2021 and 31 March 2020.

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

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

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- a) Updates on the efforts taken to resolve each outstanding audit issue;
- b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Group's latest audited financial statement for the financial year ended 31 March 2020, released on 15 September 2020 was not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

The Group has applied the same accounting policies and methods of computation in the preparation of its financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 March 2020, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 April 2020 as disclosed in item 5 below.

5. If there are 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

In the current reporting period, the Group adopted all new or revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations to SFRS(I) ("SFRS(I) INT") that are relevant to its operations and are effective for first-time adoption during the current reporting period. The adoption of these new and revised SFRS(I) and SFRS(I) INT has no material effect on the amounts reported for the current or prior reporting periods.

6. Earnings/ (loss) 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	
	For the 12 months period ended	
	31-Mar-21	31-Mar-20
Profit/(Loss) attributable to owners of the Company (\$'000)	498	(9,158)
Weighted average number of ordinary shares	195,709,751	165,784,029
- Basic EPS/(LPS) (Cents)	0.25	(5.52)
- Diluted EPS/(LPS) (Cents)	0.25	(5.52)

Notes:

a) Basic earnings/(loss) per ordinary share had been calculated by dividing the loss for the respective financial year attributable to the equity holders of the Company, by the weighted average number of ordinary shares in issue during the respective financial year.

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 31 March 2021 and 31 March 2020.

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 period reported on and (b) immediately preceding financial year

	Group		Company	
	As at		As at	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Net asset value per ordinary share based on issued share capital as at the end of the financial year reported on (SG Cents).	(2.23)	(5.75)	1.08	(1.29)

Note:

Net asset value per ordinary share of the Group and Company are calculated by dividing net asset value of the Group and Company respectively by the number of issued ordinary shares of 228,684,029 as at 31 March 2021 (31 March 2020: 190,961,806).

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

Revenue remained relatively constant at S\$9.0 million in FY2021 as compared to \$8.8 million for FY2020. This was mainly due to the following:

- (i) revenue contribution of approximately \$3.1 million from the Monsoon Hairdressing group of companies which was acquired in November 2020; and
- (ii) Decrease in revenue from the beauty, slimming and spa treatment services by approximately S\$3.0 million as a result of COVID-19. During FY2021, some outlets were closed and/or certain services was prohibited in accordance to the restrictions imposed by the Singapore and Malaysian government. In Malaysia, the Group's 6 outlets were closed during the Movement Control Order ("MCO") and Conditional Movement Control Order ("CMCO") from 18 March 2020 to 9 June 2020 and subsequently from 11 January 2021 to 4 March 2021. In Singapore, 1 out of 9 outlets was closed from 7 April 2020 to 1 June 2020, while the remaining 8 outlets remained closed from 7 April 2020 to 18 June 2020 as a result of Circuit Breaker measures implemented by the Singapore Government.

Other operating income increased by S\$1.5 million from S\$0.6 million in FY2020 to S\$2.1 million in FY2021. This is substantially due to the income recognized from rental rebates of S\$0.8 million and receipts of S\$1.1 million from Government support measures including Jobs Support Scheme, Skills Future course support and Spring Singapore grants due to the COVID-19 pandemic.

Purchases and related cost and changes in inventories combined increased by S\$1.1 million from S\$0.4 million in FY2020 to S\$1.4 million in FY2021 primarily due to products purchased by the Monsoon Hairdressing group of companies.

Depreciation of plant and equipment and right-of-use assets were affected due to the impairment of the fixed assets carried out in FY2020 given the uncertain business outlook caused by COVID-19. For FY2020, the Group impaired S\$1.5 million and S\$4.5 million of plant and equipment and right-of-use assets respectively.

Depreciation of plant and equipment decreased by S\$0.3 million or 65% mainly due to the effect of the impairment of S\$1.5 million in FY2020 mentioned above

Depreciation of right-of-use assets decreased from S\$2.0 million in FY2020 to S\$1.0 million in FY2021 mainly due to the impairment amounting to S\$4.5 million mentioned above which reduced the carrying amounts of right-of-use assets. This decrease was offset by renewal of leases agreement for Mary Chia's three outlets in Singapore and an increase in right-of-use assets recorded from the newly acquired Monsoon Hairdressing group of companies.

Staff costs decreased by S\$0.8 million or 14% mainly due to the Group's stringent control over manpower costs (including freezing of headcount and non-replacement of staff) and the complete halt in commission payments during the Circuit Breaker period in Singapore and the MCO/CMCO period in Malaysia.

Operating lease expenses decreased from S\$0.4 million in FY2020 to S\$0.1 million in FY2021 mainly due to the adoption of new accounting standard SFRS(I) 16 Leases.

Other operating expenses decreased by S\$7.2 million or 75% from S\$9.6 million in FY2020 to S\$2.4 million in FY2021, largely due to the absence of the impairment loss on plant and equipment and impairment on right-of-use assets of S\$1.5 million and S\$4.5 million respectively recognised in FY2020. The remaining decrease was a result of lower advertising and marketing expenses,

member incentives provided to customers, travelling expenses and consultancy fees in view of the travel restrictions due to the COVID-19 pandemic partially offset by an increase in professional fees as a result of corporate actions undertaken during the year.

As a result of the above factors, the Group reported a net profit of S\$0.6 million in FY2021, compared to a net loss of S\$9.6 million in FY2020. The net loss for FY2020 was mainly due to impairment of right-of-use assets and of plant and equipment.

b. Statement of Financial Position

Current and non-current assets

The Group's non-current assets increased by approximately S\$6.7 million, mainly due to:

- (i) an increase in plant and equipment ("PE") by S\$1.2 million from S\$0.1 million as at 31 March 2020 to S\$1.3 million as at 31 March 2021 arising from new PE acquired in the Group including the Monsoon Hairdressing group of companies;
- (ii) an increase in right-of-use assets by approximately S\$2.9 million from S\$0.3 million as at 31 March 2020 to S\$3.2 million as at 31 March 2021 due to leases on 6 outlets from the Monsoon Hairdressing group of companies and the Company's renewal of 3 leases; and
- (iii) Intangible assets, goodwill and derivative financial instrument amounting to S\$0.1 million, S\$2.4 million and S\$0.2 million recorded due to the acquisition of the Monsoon Hairdressing group of companies respectively. The derivative financial instrument relates to the call option granted to the Company to purchase the remaining 20% of the issued Monsoon Hairdressing group of companies.

The Group's current assets increased by approximately S\$2.0 million mainly due to:

- (i) Increase in trade and other receivables of approximately S\$2.0 million from S\$0.3 million as at 31 March 2020 to S\$2.3 million as at 31 March 2021 arising mainly from receivables due to newly acquired subsidiary, Starting Line Trading Pte. Ltd. which is involved in the wholesale trade of hair and beauty products;
- (ii) Increase in inventories from S\$0.4 million as at 31 March 2020 to S\$0.7 million as at 31 March 2021 as the Group increases its purchases to facilitate online sales of beauty and wellness products; and
- (iii) Increase in other assets from S\$0.9 million as at 31 March 2020 to S\$1.2 million as at 31 March 2021 mainly due to newly acquired Monsoon Hairdressing group of companies.

The increases were offset by a decrease in cash and cash equivalents of approximately S\$0.5 million as explained under the statement of cash flow in paragraph (c) below.

Current and non-current liabilities

The net increase in the Group's current and non-current liabilities by S\$2.9million was mainly due to:

- (i) current and non-current of bank borrowings of S\$710,000 belonging to the Monsoon Hairdressing group of companies;
- (ii) an increase in contract liabilities of S\$0.6 million arising from prepaid packages recorded by the Monsoon Hairdressing group of companies;
- (iii) An increase in current and non-current lease liabilities of S\$1.6 resulting from the leases of 6 outlets from the Monsoon Hairdressing group of companies and the Company's renewal of three leases; and
- (iv) current tax liabilities of S\$0.2 million arising from profits made during the year.

The increases were offset by a decrease in trade and other payables by approximately S\$0.2 million from S\$7.7 million as at 31 March 2020 to S\$7.5 million as at 31 March 2021. Trade and other payables decreased as a result of a debt conversion exercise undertaken by the Company which converted an aggregate S\$3,825,000 owing to Ms Ho Yow Ping, Madam Chia Ah Tow and

JL Asia Resources Pte Ltd into 25,500,000 new ordinary shares in the capital of the Company. The decrease was offset by trade and other payables amounting to S\$1.4 million from the Monsoon Hairdressing group of companies and outstanding payments in relation to the acquisition of the Monsoon Hairdressing group of companies amounting to S\$ 0.7 million, and a general increase in the Group's trade and other payables due to the timing of payments.

Equity

Share capital increased by S\$5.6 million from S\$6.9 million as at 31 March 2020 to S\$12.5 million as at 31 March 2021 due to:

- (i) 5,555,556 subscription shares issued on 20 November 2020, at an issue price of S\$0.144 per subscription share, pursuant to a subscription agreement with I Concept Global Growth;
- (ii) 6,666,667 consideration shares issued on 24 November 2020, at an issue price of S\$0.15 per consideration share, as partial consideration amounting to S\$1.0 million for the acquisition of the Monsoon Hairdressing group of companies; and
- (iii) 25,500,000 conversion shares issued on 25 March 2021, at a conversion price of S\$0.15 per conversion share, in respect of the debt conversion of S\$3,825,000 owing to Ms Ho Yow Ping, Madam Chia Ah Tow and JL Asia Resources Pte Ltd.

The Group recorded a negative working capital of S\$9.3 million and a negative equity of S\$4.7 million as at 31 March 2021. Barring any unforeseen circumstances, the Board is of the opinion that the Group can continue as a going concern and meet its short term debt obligations when they fall due as the Group continues to be (i) prudent with its cash flow planning and to take active measures to streamline its business and reduce costs, (ii) focus on new sales initiative via social media platforms to drive revenue with lower upfront costs, (iii) continued financial support from its controlling shareholder Suki Sushi Pte Ltd, and (iv) potential corporate fund-raising exercises.

c. Statement of Cash Flows Statement

Net cash inflow from operating activities in FY2021 of S\$2.5 million comprised mainly the following:

- (i) Operating profit of S\$0.7 million, depreciation of plant and equipment of S\$0.2 million, depreciation of right-of-use assets of S\$ 1.0 million and finance costs of S\$0.3 million which resulted in an operating profit before working capital changes of S\$2.2 million;
- (ii) Increase in trade and other receivables arising from the newly acquired subsidiary, Starting Line Trading Pte. Ltd. which is involved in the wholesale trade of hair and beauty products; and
- (iii) Increase in trade and other payables arising from the acquisition of the Monsoon Hairdressing group of companies.

Net cash used in investing activities in FY2021 of S\$1.4 million mainly due to the following:

- (i) Acquisition of plant and equipment of approximately S\$1.1 million, being the renovation of outlets and purchase of equipment including those for the newly acquired Monsoon Hairdressing group of companies; and
- (ii) Partial cash consideration of S\$0.8 million for the acquisition of the Monsoon Hairdressing group, net of the cash and cash equivalents of about S\$0.5 million in the Monsoon Hairdressing group at the time of acquisition.

Cash used in financing activities of about S\$1.6 million was mainly due to:

- (i) Proceeds amounting to S\$0.8 million received from the subscription of the Company's shares completed on 20 November 2020;
- (ii) New loan facilities obtained of S\$0.1 million for Monsoon Hairdressing group; and
- (iii) Decrease in lease liabilities due to the repayment of lease rentals during the financial year under review.

As a result of the above, total cash and cash equivalents used during FY2021 was S\$542,000.

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

As a result of the ongoing global COVID-19 pandemic, the Group expects its operating environment to remain uncertain and the market conditions to remain challenging due to the ongoing movement restrictions internationally and the safe distancing restrictions in Singapore.

The Group, as a whole, will continue to focus on leveraging on its 40-year-old brand name to augment its presence in the Singapore market. Together with the newly acquired Monsoon Hairdressing group of companies ("Monsoon Group"), the Group will tap on online and social media digital platforms including "live streaming" to generate sale of its proprietary range of skincare, body care, haircare and wellness products. The Group will also focus on the cross-selling of products between Mary Chia and Monsoon Group's client.

Recently, Monsoon Group introduced the Dr Moto Hair Aesthetics brand for both invasive and non-invasive treatment for hair loss and scalp care, with the aim of providing a holistic suite of hair related services and capitalising on its group of high spending clientele with specific needs. The array of treatment includes medical procedures such as Follicular Unit Extraction, tapping into the current USD5.6b hair transplant market, which is expected to reach USD25 billion by 2026. (Source: GlobeNewswire, 3 March 2021)

The Group will also continue to be vigilant and exercise prudence in its cost management. In addition, the Group is also continually on the lookout for synergistic business ventures to expand its presence and business portfolio with the aim of improving the Group's bottom line and bringing enhanced value to shareholders. As the COVID-19 pandemic is expected to continue to result in significant market and business uncertainty and disruptions, particularly in the near term, the Group will strive to be nimble, flexible, adaptable and versatile.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the 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 and the reason(s) for the decision

No final dividend has been declared or recommended for FY2021 in view of the Group's financial position as at 31 March 2021 and as the Group wishes to conserve cash to fulfil the operational and financial requirements of the Group.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Company does not have a general mandate from its shareholders for IPTs.

Name of Interested Person	Nature of relationship	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) (\$ million)	Aggregate value of all IPTs conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (\$ million)
JL Asia Resources Pte Ltd ¹ (Operating lease expenses)	JL Asia Resources Pte Ltd ("JL Asia") is wholly-owned by Lee Boon Leng ("Mr Lee"), who is the spouse of the Executive Chairman and CEO, Ms Ho Yow Ping. Mr Lee has a deemed interest of 48.31% in the shares of the Company ("Shares") by virtue of his 72.87% shareholdings interest in Suki Sushi Pte Ltd, which holds 48.31% of the Shares. Spa Menu Pte. Ltd., 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 to operate a spa under the brand name "Huang Ah Ma".	0.228	-
Suki Sushi Pte Ltd ² (Operating lease expenses)	Mr Lee holds 72.87% interest in Suki Sushi while Ms Ho holds 21.45%. Mr Lee is deemed interested in 110,466,839 shares representing 54.37% in the capital of the Company by virtue of his 72.87% shareholdings interest in Suki Sushi Pte Ltd ("Suki Sushi"). Ms Ho directly owns 32,680,000 Shares representing 16.08% of	0.027	-

	the Company's Shares and is deemed interested in 54.37% in the Company by virtue of her 21.45% shareholding interest in Suki Sushi.		
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Note :

- 1) Please refer to the Company's announcement dated 6 July 2020 for more details.
- 2) Please refer to the Company's announcement dated 29 January 2021 for more details.

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

In the case of an announcement of interim financial statements (quarterly or half-yearly), the issuer's directors must confirm that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial results to be false or misleading in any material aspect. Please confirm that such a statement has been made.

Not applicable.

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 of its directors and executive officers in the required format.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

16 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

16(a) Business segments

Group	Beauty, slimming and spa treatment for women		Beauty, slimming and spa treatment for men		Direct selling		Investment holding		HairDressing		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	5,617	8,222	93	389	822	726	-	-	3,579	-	10,111	9,337
Inter-segment revenue	(587)	(546)	-	-	-	-	-	-	(512)	-	(1,099)	(546)
External revenue	5,030	7,676	93	389	822	726	-	-	3,067	-	9,012	8,791
Other information:												
Other income	1,620	522	141	6	131	53	-	23	167	-	2,059	604
Purchases and related costs	(544)	(123)	-	(11)	(67)	(205)	-	-	(776)	-	(1,387)	(339)
Changes in inventories	114	(80)	(2)	(4)	(181)	-	-	-	4	-	(65)	(84)
Staff costs	(3,397)	(4,890)	(264)	(414)	(122)	(456)	-	-	(1,148)	-	(4,931)	(5,760)
Depreciation of plant and equipment	(76)	(395)	(1)	(17)	(4)	(45)	-	-	(78)	-	(159)	(457)
Depreciation of right-of-use assets	(541)	(1,795)	-	(203)	(16)	(22)	-	-	(428)	-	(985)	(2,020)
Operating lease expense	(119)	(328)	(2)	(63)	-	-	-	-	-	-	(121)	(391)
Other operating expenses	(1,745)	(8,445)	(51)	(203)	(282)	(941)	(1)	(38)	(353)	-	(2,432)	(9,627)
Finance costs	(243)	(297)	(1)	(75)	(1)	(3)	-	-	(66)	-	(311)	(375)
Loss before taxation											680	(9,658)
Income tax expense											(127)	25
Loss for the year											553	(9,633)
Other information												
Assets												
Segment assets	4,119	3,125	168	156	373	495	33	39	8,206	-	12,899	3,815
Liabilities												
Segment liabilities	10,747	13,748	137	748	99	284	8	13	6,657	-	17,648	14,793
Unallocated liabilities												
- Income tax payables	1	1	-	-	-	-	-	-	182	-	183	1
Total liabilities											17,831	14,794
Other disclosure												
Capital expenditure	666	962	26	-	17	15	-	-	396	-	1,105	977
Depreciation of plant and equipment	76	395	1	17	4	45	-	-	78	-	159	457
Impairment loss on plant and equipment	-	1,369	-	34	-	59	-	-	-	-	-	1,462
Gain on disposal of plant and equipment	-	-	-	-	3	-	-	-	-	-	3	-
Gain on disposal of right-of-use assets	-	35	-	-	-	-	-	-	-	-	-	35
Plant and equipment written off	25	-	-	4	-	-	-	-	-	-	25	4
Depreciation of right-of-use assets	541	1,795	-	203	16	22	-	-	428	-	985	2,020
Amortisation of intangible assets	-	-	-	-	-	-	-	-	11	-	11	-
Impairment loss on right-of-use assets	-	4,455	-	85	-	-	-	-	-	-	-	4,540
Trade and other receivables written off	-	98	-	-	-	32	-	29	-	-	-	159
Impairment loss on trade and other receivables	-	24	-	-	-	-	-	-	-	-	-	24
Fair value adjustment to interest-free loans from former director	-	41	-	65	-	-	-	-	-	-	-	106

16(a) Business segments (continue)

	GROUP	
	For the 12 month periods ended	
	31-Mar-21	31-Mar-20
	S\$'000	S\$'000
Revenue		
Sale of goods	3,142	3,956
Beauty, slimming and spa service treatments	3,573	4,835
Hairdressing treatments	2,297	-
	<u>9,012</u>	<u>8,791</u>

Reconciliations of the total adjusted EBITDA to loss before income tax in FY2020 and FY2019 are as follows:

	GROUP	
	For the 12 month periods ended	
	31-Mar-21	31-Mar-20
	S\$'000	S\$'000
Adjusted EBITDA for reported segments	2,146	(6,609)
Depreciation on plant and equipment	(159)	(457)
Depreciation of right-of-use assets	(985)	(1,826)
Amortisation of intangible assets	(11)	-
Interest expense	(311)	(361)
Interest income	-	-
Loss before income tax	<u>680</u>	<u>(9,253)</u>

16(b) Geographical segments

The Group operates in two principal geographical areas, Singapore (country of domicile) and Malaysia.

The following table presents revenue and certain assets information regarding the Group's geographical segments in FY2020 and FY2019.

	Singapore		Malaysia		Taiwan		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue - Sales to external customers	8,007	7,179	1,005	1,602	-	10	9,012	8,791
Non-current assets#	6,999	131	197	271	-	23	7,196	425

Note # - exclude deferred tax assets and deposits.

The Group did not derive any significant revenue from any single customer during FY2021 and FY2020.

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments

Please refer to paragraph 8 for further details.

18. A breakdown of sales

	GROUP		Change %
	For the 12 month periods ended 31-Mar-21 S\$'000	31-Mar-20 S\$'000	
Revenue reported for first half year	2,424	4,429	(45)
Profit/(Loss) after tax before non-controlling interests reported for first half year	760	(1,387)	(155)
Revenue reported for second half year	6,588	4,362	51
Profit/(Loss) after tax before non-controlling interests reported for second half year	(207)	(8,246)	(97)

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

No dividends have been declared in FY2021.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the period/year
Chia Tse Ching	45	Cousin of Executive Chairman and CEO, Ho Yow Ping	Branch manager for the Company's wholly-owned subsidiary, Mary Chia Beauty & Slimming Specialist Pte Ltd, since 2001. She is the branch manager for Parkway Parade branch. She is primarily responsible for the daily management and operations.	N.A.

- 21. Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use**

Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must have been disclosed

Not applicable.

BY ORDER OF THE BOARD

Ho Yow Ping (He YouPing)
Chief Executive Officer
30 June 2021

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Charmian Lim (Tel: (65) 6232 3210), at 1 Robinson Road, #21- 00 AIA Tower, Singapore 048542.