

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

**MATERIAL UNCERTAINTY RELATED TO GOING CONCERN ON THE
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board of Directors (the “**Board**”) of Mary Chia Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s independent auditor, Foo Kon Tan LLP has without modifying their opinion, included a Material Uncertainty Related to Going Concern section in their report (the “**Independent Auditor’s Report**”) on the audited financial statements of the Group for financial year ended 31 March 2018 (“**FY2018**”) (the “**Audited Financial Statements**”).

The Independent Auditor’s Report and the Audited Financial Statements will form part of the Company’s Annual Report for FY2018 (the “**FY2018 Annual Report**”) which will be despatched to the shareholders of the Company (the “**Shareholders**”) in due course. Shareholders are advised to read the Audited Financial Statements which will be despatched in due course as part of FY2018 Annual Report.

Relevant extracts from the FY2018 Annual Report are as below:

Material Uncertainty Related to Going Concern

- Independent Auditor’s Report on Page 34 of FY2018 Annual Report

We draw attention to Note 2 to the financial statements. The Group incurred losses and total comprehensive loss of \$5,562,000 and \$5,677,000 (2017 - \$6,412,000 and \$6,483,000) and reported net operating cash outflows of \$1,635,000 (2017 - \$3,377,000) for the financial year ended 31 March 2018. As at 31 March 2018, the Group’s current assets exceeded current liabilities by \$284,000 (2017 - deficit \$11,607,000) and the Group had a deficit in equity of \$2,211,000 (2017 - surplus \$23,692,000). These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as going concerns. Our opinion is not modified in respect of this matter.

The Group incurred losses and total comprehensive loss of \$5,562,000 and \$5,677,000 (2017 - \$6,412,000 and \$6,483,000), reported net operating cash outflows of \$1,635,000 (2017 - \$3,377,000) for the financial year ended 31 March 2018. As at 31 March 2018, the Group’s current assets exceeded current liabilities by \$284,000 (2017 - deficit \$11,607,000) and the Group had a deficit in equity of \$2,211,000 (2017 - surplus \$23,692,000).

Going Concern

- Note 2 of the Audited Financial Statements on Page 44 of FY2018 Annual Report

As at 31 March 2018, the Group’s current liabilities included deferred revenue related to non-refundable payments received in advance from customers amounting to \$2,474,000 (2017 - \$1,996,000). Excluding this amount, the Group’s current liabilities would be \$59,040,000 (2017 - \$12,168,000) compared to current assets of \$61,798,000 (2017 - \$2,577,000) as at 31 March 2018. Notwithstanding the above, management believes that the Group will have sufficient resources to continue in operation for the foreseeable future, a period of not less than twelve months from the date of the financial statements after taking into consideration the following:

- (i) *On 1 March 2018, a subsidiary, Hotel Culture Pte. Ltd., entered into an agreement to dispose of its property to an entity controlled by the non-controlling interest of that subsidiary for a consideration of \$64,800,000. The sale of the properties was completed on 7 May 2018.*

- (ii) *The holding company has given an undertaking to provide financial support to the Group for the next 12 months after the date of the auditor's report to operate without any curtailment of operations.*

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

Based on the above, the Board is of the view that the Group will be able to continue as a going concern, and that the Audited Financial Statements have been prepared on that basis. The Board is of the opinion that sufficient information has been disclosed for trading of the Company's securities to continue in an orderly manner and confirmed that all material disclosures have been provided for trading of the Company's shares to continue.

BY ORDER OF THE BOARD

Ho Yow Ping (He YouPing)
Chief Executive Officer
12 September 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 Keng Yeng Pheng, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).