

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

---

**ANNOUNCEMENT PURSUANT TO RULE 704(4) OF THE CATALIST RULES  
IN RELATION TO THE AUDITED FINANCIAL STATEMENTS**

---

**Material Uncertainty Related to Going Concern on the Audited Financial Statements for the Financial Year Ended 31 March 2017**

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 2017 (“**FY2017**”) (the “**Audited Financial Statements**”).

A copy of the Independent Auditor’s Report and an extract of Note 2 to the Audited Financial Statements are attached to this announcement for information. The Independent Auditor’s Report and the Audited Financial Statements will form part of the Company’s Annual Report for FY2017 (the “**FY2017 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 FY2017 Annual Report.

The Directors of the Company are of the view that it is appropriate for the Audited Financial Statements of the Group and the Company to be prepared on a going concern basis. The Company wishes to make the following statement with regard to the Material Uncertainty Related to Going Concern in the Independent Auditor’s Report:

*“The financial statements have been prepared on a going concern basis. The Group incurred losses and total comprehensive loss of \$6,412,000 and \$6,483,000 (2016 - \$3,527,000 and \$3,535,000) and reported net operating cash outflows of \$3,377,000 (2016 - \$2,712,000) for the financial year ended 31 March 2017; and as at that date, the Company has a deficit in equity of \$5,170,000 (2016 - equity of \$1,813,000) and the Group’s and the Company’s current liabilities exceeded the Group’s and the Company’s current assets by \$11,607,000 and \$6,435,000 (2016 - \$5,672,000 and \$1,401,000), respectively. 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.*

*As at 31 March 2017, the Group’s current liabilities included deferred revenue related to non-refundable payments received in advance from customers amounting to \$1,996,000 (2016 - \$1,966,000). Excluding this amount, the Group’s current liabilities would have been \$12,168,000 (2016 - \$6,527,000) compared to current assets of \$2,557,000 (2016 - \$2,821,000) as at 31 March 2017.*

*As at 31 March 2017, the Company’s current liabilities included amounts due to wholly-owned subsidiaries of \$6,732,000 (2016 - \$4,329,000). The directors of the Company have the power and authority to manage the payment obligations to the said wholly-owned subsidiaries if the need ever arises.*

*Notwithstanding the above, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 March 2017 is still appropriate after taking into consideration the following:*

- (a) *On 24 August 2017, the new ultimate controlling shareholder, Suki Sushi Pte. Ltd., has given an undertaking to provide financial support to the Company and the Group for the next 12 months after the date of the auditor's report to operate without any curtailment of operations.*
- (b) *In addition, a personal loan of \$2 million from the director of a subsidiary, who is also the beneficiary of the ultimate controlling shareholder has been committed to the Group of which \$1,200,000 was drawn down as of 31 August 2017 and the remaining balance of \$800,000 is available as and when required for the next 12 months after the balance sheet date.*
- (c) *The ultimate controlling shareholders as at 31 March 2017, who are also directors of the Company, have given 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. Further, as disclosed in Note 18, they will not demand repayment of the amounts due to them by the Group within the next 36 months from the balance sheet date or until the cash flows of the Group permit, whichever is later.*

*Accordingly, the directors of the Company consider it is appropriate that these financial statements should be prepared on a going concern basis and do not include any adjustments that would be required should the Group and the Company fail to continue as a going concern."*

Based on the above, the Board is of the view that the Group and the Company will be able to continue as going concerns, and that the Audited Financial Statements have been prepared on that basis.

Additionally, the Board (i) is of the opinion that sufficient information has been disclosed for trading of the Company's securities to continue in an orderly manner; and (ii) confirmed that all material disclosures have been provided for trading of the Company's shares to continue.

### **Responsibility Statement**

The Directors (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

### **BY ORDER OF THE BOARD**

**Ho Yow Ping (He YouPing)**  
**Chief Executive Officer**  
**7 September 2017**

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 Catalyst. 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](mailto:sponsorship@ppcf.com.sg)).

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MARY CHIA HOLDINGS LIMITED

---

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Mary Chia Holdings Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

### Basis for Opinion

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

### Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements, which indicates that the Group incurred a net loss of \$6,412,000 and total comprehensive loss of \$6,483,000, and had a net cash outflows from operating activities of \$3,377,000 for the year ended 31 March 2017. As at that date, the Company has a deficit in equity of \$5,170,000 and the Group and the Company has net current liabilities of \$11,607,000 and \$6,435,000 respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as going concerns. Our opinion is not modified in respect of this matter.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MARY CHIA HOLDINGS LIMITED

---

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation of investment property (Refer to Note 6 to the financial statements)

#### Risk:

The Group owns an investment property for commercial use. Investment property represents the largest category of asset on the statement of financial position amounting to \$57,000,000 as at 31 March 2017. During the financial year, the Group recognised a fair value loss of \$176,000 on investment property in the statement of comprehensive income - profit or loss.

This investment property is stated at fair value based on an independent external valuation.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. These estimates include rate of capitalisation and adjustments made for differences between the subject properties and comparables, taking into consideration differences such as location, size and tenure.

#### Our response:

We assessed the Group's processes for the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers.

We have also evaluated whether the auditor's expert has the necessary competence, capabilities and objectivity for our purposes. Through our appointed auditor's expert, we considered the valuation methodologies used against those applied by management valuers for similar property types. We assessed the capitalisation rate and adjustments made for differences between the subject properties and comparables, taking into consideration differences such as location, size and tenure used in the valuation. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

We also considered the adequacy of the disclosure in the financial statements, regarding the inherent degree of subjectivity and key assumptions used in the estimates. This includes the relationships between the key unobservable inputs to fair value.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MARY CHIA HOLDINGS LIMITED

---

## **Key Audit Matters (Cont'd)**

### Valuation of investment property (Refer to Note 6 to the financial statements) (Cont'd)

Our findings:

The Group has a structured process in appointing and instructing valuers, and in reviewing, assessing and accepting their valuations. The valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies used are in line with generally-accepted market practices and the key assumptions used are within the range of market data. The approach to the methodologies and in deriving the assumptions in the valuations is supported by market practices and data and the disclosures included in Notes 6 and 34 to the financial statements are appropriate.

## **Other Information**

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

The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

## **Responsibilities of Management and Directors for the Financial Statements**

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

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

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

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MARY CHIA HOLDINGS LIMITED

---

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MARY CHIA HOLDINGS LIMITED

---

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

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

The engagement partner on the audit resulting in this independent auditor's report is Toh Kim Teck.

Foo Kon Tan LLP  
Public Accountants and Chartered Accountants  
Singapore

7 September 2017

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

## 1 General information

The financial statements of Mary Chia Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 March 2017 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

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

The registered office of the Company is located at 26 Tai Seng Street, #01-03A, Singapore 534057.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

The ultimate controlling parties of the Company are Ms Mary Chia Ah Tow and Ms Ho Yow Ping (He YouPing). Subsequent to the balance sheet date, there was a change in the ultimate controlling party of the Company as disclosed in Note 35(b).

## 2 Going concern

The financial statements have been prepared on a going concern basis. The Group incurred losses and total comprehensive loss of \$6,412,000 and \$6,483,000 (2016 - \$3,527,000 and \$3,535,000) and reported net operating cash outflows of \$3,377,000 (2016 - \$2,712,000) for the financial year ended 31 March 2017; and as at that date, the Company has a deficit in equity of \$5,170,000 (2016 - equity of \$1,813,000) and the Group's and the Company's current liabilities exceeded the Group's and the Company's current assets by \$11,607,000 and \$6,435,000 (2016 - \$5,672,000 and \$1,401,000) respectively. 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.

As at 31 March 2017, the Group's current liabilities included deferred revenue related to non-refundable payments received in advance from customers amounting to \$1,996,000 (2016 - \$1,966,000). Excluding this amount, the Group's current liabilities would have been \$12,168,000 (2016 - \$6,527,000) compared to current assets of \$2,557,000 (2016 - \$2,821,000) as at 31 March 2017.

As at 31 March 2017, the Company's current liabilities included amounts due to wholly-owned subsidiaries of \$6,732,000 (2016 - \$4,329,000). The directors of the Company have the power and authority to manage the payment obligations to the said wholly-owned subsidiaries if the need ever arises.

Notwithstanding the above, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 March 2017 is still appropriate after taking into consideration the following:

- (a) On 24 August 2017, the new ultimate controlling shareholder, Suki Sushi Pte Ltd, has given an undertaking to provide financial support to the Company and the Group for the next 12 months after the date of the auditor's report to operate without any curtailment of operations.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

## 2 Going concern (Cont'd)

- (b) In addition, a personal loan of \$2 million from a director of a subsidiary, who is also the beneficiary of the ultimate controlling shareholder, has been committed to the Group of which \$1.2 million was drawn down as of 31 August 2017 and the remaining balance of \$800,000 is available for disbursement at any time within the next 12 months after the balance sheet date.
- (c) The ultimate controlling shareholders as at 31 March 2017, who are also directors of the Company, have given 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. Further, as disclosed in Note 18, they will not demand repayment of the amounts due to them by the Group within the next 36 months from the balance sheet date or until the cash flows of the Group permit, whichever is later.

Accordingly, the directors of the Company consider it is appropriate that these financial statements should be prepared on a going concern basis and do not include any adjustments that would be required should the Group and the Company fail to continue as a going concern.

## 3(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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

### **Significant accounting estimates and judgements**

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

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