MARY CHIA
HOLDINGS LIMITED
(Incorporated in Singapore with Unique Entity No.: 200907634N)
SGX Stock Code: 5OX

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023

In view of the qualified opinion issued by the Company's independent auditor, Foo Kon Tan LLP, on the audited financial statements of the Group for the financial ended 31 March 2023, the Company is required by the Singapore Exchange Securities Trading Limited to announce its quarterly financial statements pursuant to Catalist Rule 705.

Contents

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group 3 months ended 30 June 2023	3 months ended 30 June 2022	Variance
		$'000	$'000	%
Revenue	4	1,282	2,280	(44)
Other operating income	6	372	69	>100
Purchases and related costs		(44)	(218)	(80)
Changes in inventories		(11)	-	100
Depreciation of plant and equipment		(81)	(73)	11
Depreciation of right-of-use assets		(218)	(448)	(51)
Staff costs		(1,020)	(1,530)	(33)
Operating lease expense		(53)	(172)	(69)
Other operating expenses		(824)	(451)	83
Finance costs		(54)	(70)	(23)
Share of results of joint ventures, net of tax		(54)	-	100
Loss before income tax		(705)	(613)	15
Income tax expense		-	-	N.M.
Loss for the year, net of tax		(705)	(613)	15
Other comprehensive income for the period, net of tax:				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		(45)	39	>100
Other comprehensive income for the year, net of tax		(45)	39	>100
Total comprehensive loss for the year		(750)	(574)	31
Loss attributable to:				
Equity holders of the Company		(705)	(551)	28
Non-controlling interests		-	(62)	(100)
		(705)	(613)	15
Total comprehensive loss attributable to:				
Equity holders of the Company		(750)	(512)	46
Non-controlling interests		-	(62)	(100)
		(750)	(574)	31
Loss per share attributable to equity holders of the Company (cents):				
Weighted average number of ordinary shares		232,172,215	232,172,215	
Basic and diluted loss per share		(0.30)	(0.24)	

B. Condensed interim consolidated statements of financial position

	Note	Group 30 June 2023 $'000	Group 31 March 2023 $'000	Company 30 June 2023 $'000	Company 31 March 2023 $'000
ASSETS					
Non-current assets					
Plant and equipment	10	949	714	-	-
Right-of-use assets	8	1,022	1,510	-	-
Intangible assets	9	5	5	-	-
Investments in subsidiaries		-	-	2,507	2,507
Investment in joint ventures		1,910	1,394	-	-
Total non-current assets		3,886	3,623	2,507	2,507
Current assets					
Inventories		65	100	-	-
Trade and other receivables		1,461	1,287	10,997	9,222
Prepayments		39	22	13	13
Cash and cash equivalents		954	1,673	29	1,018
Total current assets		2,519	3,082	11,039	10,253
Total assets		6,405	6,705	13,546	12,760
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	12	11,944	11,944	11,944	11,944
Reserves		(19,303)	(18,553)	(14,091)	(14,027)
Attributable to equity holders to the company		(7,359)	(6,609)	(2,147)	(2,083)
Non-controlling interests		1,070	1,070	-	-
Total equity		(6,289)	(5,539)	(2,147)	(2,083)
Non-current liabilities					
Lease liabilities	11	744	710	-	-
Provision		90	95	-	-
Total non-current liabilities		834	805	-	-
Current liabilities					
Trade and other payables		6,281	5,516	14,049	13,843
Borrowings	11	1,505	1,756	975	1,000
Lease liabilities	11	1,296	1,695	-	-
Contract liabilities		2,588	2,205	669	-
Provision		190	165	-	-
Current tax liabilities		-	102	-	-
Total current liabilities		11,860	11,439	15,693	14,843
Total liabilities and equity		6,405	6,705	13,546	12,760

C. Condensed interim consolidated statements of changes in equity

The Group

	Attributable to equity holders of the Group							
	Share capital	Merger reserve	Capital reserve	Foreign currency translation reserve	Accumulated losses	Attributable to equity holders of the Company	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2023								
Balance as at 1 April 2023	11,944	(927)	(184)	30	(17,472)	(6,609)	1,070	(5,539)
Loss for the year	-	-	-	-	(705)	(705)	-	(705)
Other comprehensive income								
- Foreign currency translation differences	-	-	-	(45)	-	(45)	-	(45)
Total comprehensive loss for the financial period	-	-	-	(45)	(705)	(750)	-	(750)
Balance as at 30 June 2023	11,944	(927)	(184)	(15)	(18,177)	(7,359)	1,070	(6,289)
2022								
Balance as at 1 April 2022	11,944	(927)	(184)	(218)	(16,484)	(5,869)	336	(5,533)
Loss for the year	-	-	-	-	(551)	(551)	(62)	(613)
Other comprehensive income								
- Foreign currency translation differences	-	-	-	39	-	39	-	39
Total comprehensive loss for the financial period	-	-	-	39	(551)	(512)	(62)	(574)
Issuance of shares	-	-	-	-	-	-	-	-
Balance as at 30 June 2022	11,944	(927)	(184)	(179)	(17,035)	(6,381)	274	(6,107)

C. Condensed interim consolidated statements of changes in equity (Cont'd)

The Company

	Attributable to equity holders of the Company			
	Share capital $'000	**Capital reserve $'000**	**Accumulated losses $'000**	**Total equity $'000**
2023				
Balance as at 1 April 2023	11,944	215	(14,242)	(2,083)
Loss for the period	-	-	(64)	(64)
Total comprehensive income for the financial period	-	-	(64)	(64)
Balance as at 30 June 2023	11,944	215	(14,306)	(2,147)
2022				
Balance as at 1 April 2022	11,944	215	(14,174)	(2,015)
Loss for the period	-	-	(12)	(12)
Total comprehensive loss for the financial period	-	-	(12)	(12)
Issuance of shares	-	-	-	-
Balance as at 30 June 2022	11,944	215	(14,186)	(2,027)

D. Condensed interim consolidated statement of cash flows

	Note	Group 3 months ended 30 June 2023 $'000	 3 months ended 30 June 2022 $'000
Operating activities			
Loss before income tax		(705)	(613)
Adjustments for:			
Depreciation of property, plant and equipment		81	73
Depreciation of right-of-use assets		218	448
Amortisation of intangible assets	9	-	9
Finance costs	6	54	70
Share of results of joint ventures		54	-
Operating cash flows before movements in working capital		(298)	(13)
Changes in working capital:			
Change in inventories		35	122
Change in trade and other receivables		(191)	213
Change in trade, other payables and contract liabilities		551	381
Cash generated from operations		97	703
Income tax paid		(102)	(5)
Cash flows generated from operating activities		(5)	698
Investing activities			
Acquisition of plant and equipment	10	(98)	(9)
Proceeds from disposal of subsidiaries		-	-
Cash flows generated from/(used in) investing activities		(98)	(9)
Financing activities			
Proceeds from borrowings	11	-	250
Repayment of borrowings	11	(218)	(590)
Restricted cash used		-	60
Interest paid		(50)	(70)
Repayment of lease liabilities		(348)	(593)
Cash flows used in financing activities		(616)	(943)
Net increase/(decrease) in cash and cash equivalents		(719)	(254)
Cash and cash equivalents at beginning of the financial year		1,171	733
Cash and cash equivalents at end of the financial year		452	479
Cash and cash equivalents		954	1,039
Restricted cash		(502)	(560)
		452	479

E. Notes to the condensed interim consolidated financial statements

These notes form an integral part of the condensed interim consolidated financial statements.

1. Corporate information

Mary Chia Holdings Limited (the "**Company**") is incorporated and domiciled in Singapore, and its shares are publicly traded on Catalist of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the three months ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the "**Group**"). The primary activity of the Company is investment holding.

The principal activities of the Group are:
(a) Provision of lifestyle and wellness treatment services (including slimming, skincare and hair care centres)
(b) Retail sale of cosmetics and toiletries and direct selling of skincare and health supplements

2. Basis of Preparation

The condensed interim financial statements for the three months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. Accordingly, the condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 31 March 2023.

The accounting policies adopted are consistent with those of the previous financial year, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar, the Company's functional currency.

<u>Going concern</u>
The Group recorded a net loss and total comprehensive loss of $705,000 and $750,000, respectively (30 June 2022: net loss and total comprehensive loss of $613,000 and $574,000, respectively) for the 3 months ended 30 June 2023. As at 30 June 2023, the Group's current liabilities exceeded its current assets by $9,341,000 (31 March 2023: $8,357,000), and the Group had a deficit in equity of $6,289,000 (31 March 2023: $5,539,000).

As at 30 June 2023, the Company's current liabilities exceeded its current assets by $4,655,000 (31 March 2023: $4,590,000), and the Company had a deficit in equity of $2,147,000 (31 March 2023: $2,083,000).

As at 30 June 2023, the Group's current liabilities included contract liabilities related to non-refundable payments received in advance from customers amounting to $2,588,000 (31 March 2023: $2,205,000). Excluding this amount, the Group's current liabilities would be $9,272,000 (31 March 2023: $9,234,000) compared to current assets of $2,519,000 (31 March 2023: $3,082,000) as at 30 June 2023.

Notwithstanding the above, management believes that the Group and the Company 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 holding Company has given an undertaking on 30 June 2023 to provide financial support to the Group and the Company for the next 12 months to operate without any curtailment of operations.

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

2.1 New and amended standards adopted by the Group

On 1 April 2023, the Group and the Company adopted all the new and revised SFRS(I), SFRS(I) interpretations ("**SFRS(I) INT**") and amendments to SFRS(I), effective for the current financial year that is relevant to them. The adoption of these new and revised SFRS(I) pronouncements does not result in significant changes to the Group's and the Company's accounting policies.

2.2 Critical accounting judgements and key sources of estimation uncertainty

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Accordingly, actual results may differ from the estimates.

Critical judgements made in applying the Group's accounting policies

In applying the Group's accounting policies, described in Note 2, management has not made any judgements that will significantly affect the amounts recognised in the financial statements, apart from those involving estimations as discussed below.

<u>Income tax</u>
The Group has exposure to income taxes in several jurisdictions, of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters differs from the amounts initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made.

<u>Determination of the lease term</u>
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or change in circumstances occurs, which affects the assessment and is within the lessee's control. For office premises and service outlet leases, the Group considers factors including historical lease durations, costs, and business disruption required to replace the leased asset.

- If significant penalties exist to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).

- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors, including historical lease durations and the costs and business disruption required to replace the leased asset.

Determination of operating segments
Management will first identify the Chief Operating Decision Maker ("**CODM**") and, following this, will identify their business activities (which may not necessarily earn revenue or incur expenses). Management will further determine whether discrete financial information is available for business activities and whether the CODM regularly reviews that information. Judgement is applied by the management of the aggregation criteria to operating segments.

Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Allowance for expected credit loss ("**ECL**") of trade and other receivables
Allowance for ECL of trade and other receivables is based on assumptions about the risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the ECL calculation based on the Group's past collection history, existing market conditions, and forward-looking estimates at each reporting date. The probability of default constitutes a key input in measuring ECL. The probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Depreciation of plant and equipment, intangible assets and right-of-use assets
The Group reviews the estimated useful lives of plant and equipment, intangible assets and right-of-use assets at the end of each annual reporting period. Changes in the expected level and future usage can impact the economic useful lives of these assets with a consequential impact on the future depreciation charge. A reduction in the estimated useful lives of these non-financial assets would increase depreciation expense and decrease non-current assets.

Impairment of plant and equipment, intangible assets and right-of-use assets
The carrying amounts of the plant and equipment, intangible assets and right-of-use assets are reviewed at the end of each reporting period to determine whether there is any indication that those plant and equipment, intangible assets and right-of-use assets have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated. The carrying amount is reduced to the estimated recoverable amount if lower.

The recoverable amounts of these assets and, where applicable, cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. Estimating the value-in-use requires the Group to estimate the expected future cash flows from the cash-generating unit (or group of cash-generating units) and also to use many estimates and assumptions such as future market growth, forecast revenue and costs, useful lives of the utilisation of the assets, discount rates and other factors.

A decrease in the value-in-use of these non-financial assets would decrease the Group's profit.

Impairment of investments in subsidiaries
Determining whether investments in subsidiaries are impaired requires an estimation of the value-in-use of the investments. The value-in-use calculation requires the Company to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate to calculate the present value of the future cash flows.

On 30 June 2023, the carrying amounts of investments in subsidiaries were $2,507,000 (31 March 2023: $2,507,000). Management has evaluated the recoverability of the investment based on such estimates. A decrease in the present value of estimated future cash flows will increase the allowance for the impairment of investments in subsidiaries.

Allowance for inventory obsolescence

The Group reviews the ageing analysis of inventories at each reporting date and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The net realisable value for such inventories is estimated based primarily on the latest invoice prices and market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories.

A decrease in the net realisable values of the inventory will decrease the Group's profit.

Estimation of the incremental borrowing rate ("**IBR**")

For the purpose of calculating the right-of-use asset and a lease liability, an entity applies the interest rate implicit in the lease ("**IRIIL**"), and if the IRIIL is not readily determinable, the entity uses its IBR applicable to the leased asset. The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most leases whereby the Group is the lessee, the IRIIL is not readily determinable. Therefore, when available, the Group estimates the IBR relevant to each leased asset by using observable inputs (such as market interest rate and asset yield) and then making certain lessee-specific adjustments (such as a group entity's credit rating).

Provision of reinstatement cost

The provision relates to estimated costs of dismantlement, removal or reinstatement of plant and equipment arising from the acquisition or use of assets.

The Group has recognised a provision for reinstatement of rental property obligations associated with properties rented by the Group. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove equipment from the site and the expected timing of those costs. The provision's carrying amount as of 30 June 2023 was $280,000 (31 March 2023: $260,000). An increase in the estimated pre-tax discount rate would decrease the provision's carrying amount.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The primary segment reporting format is determined to be business segments, as the Group's risks and rates of return are affected predominantly by differences in the products and services provided. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services in different markets.

Management has determined the operating segments based on the reports reviewed to make strategic decisions. Each segment represents a strategic business unit offering different products and services. The Group's reportable segments are as follows:-

- Beauty, slimming and spa treatments for women
- Beauty, slimming and spa treatments for men
- Direct selling
- Hairdressing

Inter-segment transactions are determined on an arm's length basis.

4.1 Reportable segments

	Beauty, slimming And spa treatment for women		**Beauty, slimming And spa treatment for men**		**Direct selling**		**Hairdressing**		**Total**	
Group	**3 months ended 30 Jun 2023 $'000**	3 months ended 30 Jun 2022 $'000	**3 months ended 30 Jun 2023 $'000**	3 months ended 30 Jun 2022 $'000	**3 months ended 30 Jun 2023 $'000**	3 months ended 30 Jun 2022 $'000	**3 months ended 30 Jun 2023 $'000**	3 months ended 30 Jun 2022 $'000	**3 months ended 30 Jun 2023 $'000**	3 months ended 30 Jun 2022 $'000
Revenue	**1,194**	1,352	**43**	31	**45**	19	**-**	983	**1,282**	2,385
Inter-segment revenue	**-**	(34)	**-**	-	**-**	-	**-**	(71)	**-**	(105)
External revenue	**1,194**	1,318	**43**	31	**45**	19	**-**	912	**1,282**	2,280
Other information:										
Other operating income	**80**	54	**292**	5	**-**	5	**-**	5	**372**	69
Purchases and related costs	**(39)**	(41)	**-**	-	**(5)**	(18)	**-**	(51)	**(44)**	(110)
Changes in inventories	**(11)**	(4)	**-**	-	**-**	-	**-**	(104)	**(11)**	(108)
Staff costs	**(1,003)**	(949)	**(17)**	(18)	**-**	(26)	**-**	(537)	**(1,020)**	(1,530)
Depreciation of plant and equipment	**(79)**	(19)	**(2)**	-	**-**	-	**-**	(54)	**(81)**	(73)
Depreciation of right-of-use assets	**(218)**	(189)	**-**	-	**-**	-	**-**	(259)	**(218)**	(448)
Operating lease expense	**(53)**	(69)	**-**	-	**-**	-	**-**	(103)	**(53)**	(172)
Other operating expenses	**(471)**	(327)	**(326)**	(5)	**(27)**	(18)	**-**	(101)	**(824)**	(451)
Finance costs	**(54)**	(50)	**-**	-	**-**	-	**-**	(20)	**(54)**	(70)
Share of results of associates, net of tax	**-**	-	**-**	-	**-**	-	**(54)**	-	**(54)**	-
(Loss)/Profit before taxation									**(705)**	(613)
Income tax expense									**-**	-
(Loss)/Profit for the year									**(705)**	(613)
Other Information										
Assets										
Segment assets	**3,753**	4,157	**10**	76	**443**	63	**2,199**	6,645	**6,405**	10,941
Liabilities										
Segment liabilities	**11,984**	12,447	**132**	138	**440**	84	**138**	4,246	**12,694**	16,915
Unallocated liabilities										
- Income tax payables	**-**	-	**-**	-	**-**	-	**-**	133	**-**	133
Total liabilities									**12,694**	17,048
Other disclosure										
Capital expenditure	**98**	(3)	**-**	-	**-**	-	**-**	(6)	**98**	(9)
Depreciation of plant and equipment	**79**	19	**2**	-	**-**	-	**-**	54	**81**	73
Depreciation of right-of-use assets	**218**	189	**-**	-	**-**	-	**-**	259	**218**	448
Amortisation of intangible assets	**-**	-	**-**	-	**-**	-	**-**	9	**-**	9

4.2 Disaggregation of Revenue

	Singapore		Malaysia		China		Total	
	3 months ended 30 Jun 2023 $'000	3 months ended 30 Jun 2022 $'000	**3 months ended 30 Jun 2023 $'000**	3 months ended 30 Jun 2022 $'000	**3 months ended 30 Jun 2023 $'000**	3 months ended 30 Jun 2022 $'000	**3 months ended 30 Jun 2023 $'000**	3 months ended 30 Jun 2022 $'000
Revenue - Sales to external customers	**1,197**	2,148	**85**	132	-	-	**1,282**	2,280
Non-current assets#	**3,751**	6,733	**135**	240	-	-	**3,886**	6,973

Note # - exclude deferred tax assets and deposits.

5. Financial assets and financial liabilities

	The Group		The Company	
	As at 30 June 2023 $'000	As at 31 March 2023 $'000	**As at 30 June 2023 $'000**	As at 31 March 2023 $'000
Financial assets at fair value through profit or loss				
Derivative financial instrument	**-**	-	**-**	-
Financial assets at amortised cost				
Trade and other receivables#	**1,461**	1,287	**10,996**	9,222
Other assets#	**39**	-	**14**	-
Cash and cash equivalents	**954**	1,673	**29**	1,018
	2,454	2,960	**11,039**	10,240
Financial liabilities at amortised cost				
Other payables##	**3,627**	5,516	**669**	13,843
Lease liabilities	**2,040**	2,405	**-**	-
Borrowings	**1,505**	1,756	**975**	1,000
	7,172	9,677	**1,644**	14,843

Exclude goods and services tax and prepayments

Exclude goods and services tax

6. Loss before income tax

6.1 Significant items

	3 months ended 30 June 2023 $'000	3 months ended 30 June 2022 $'000
Income		
Government grants	**-**	38
Rental rebate	**16**	20
Expenses		
Interest on borrowings	**(34)**	(20)
Interest on lease liabilities	**(16)**	(49)
Interest on Hire Purchase	**(4)**	(1)

6.2 Related party transactions

There are no material related party transactions apart from those disclosed under the "Interested person transactions" section in the financial statements or in the information required by SGX Catalist Listing Rules Appendix 7C.

7. Net asset value

	The Group		The Company	
	As at 30 June 2023	As at 30 June 2022	**As at 30 June 2023**	As at 30 June 2022
Net asset value per ordinary share based on issued share capital as at the end of the financial year reported on (SG Cents).	**(2.71)**	(2.39)	**(0.92)**	(0.90)

Note:

Net asset value per ordinary share of the Group and Company is calculated by dividing the net asset value of the Group and Company respectively by the number of issued ordinary shares of 232,172,215 as at 30 June 2023 (31 March 2023: 232,172,215).

8. Right-of-use assets

The Group	Retail outlets $'000	Motor vehicle $'000	Total $'000
Cost			
At 1 April 2022	8,878	236	9,114
Additions	1,338	123	1,461
Lease termination	(636)	-	(636)
Disposal of subsidiaries	(1,514)	(87)	(1,601)
Exchange differences	(16)	-	(16)
At 31 March 2023	**8,050**	**272**	**8,322**
Lease termination	**(268)**	**-**	**(268)**
Exchange differences	**(5)**	**-**	**(5)**
At 30 June 2023	**7,777**	**272**	**8,049**
Accumulated depreciation			
At 1 April 2022	5,959	192	6,151
Depreciation for the year	2,034	28	2,062
Lease termination	(592)	-	(592)
Disposal of subsidiaries	(715)	(87)	(802)
Exchange differences	(7)	-	(7)
At 31 March 2023	**6,679**	**133**	**6,812**
Depreciation for the year	**192**	**26**	**218**
Exchange differences	**(3)**	**-**	**(3)**
At 30 June 2023	**6,868**	**159**	**7,027**
Carrying amount			
At 30 June 2023	**909**	**113**	**1,022**
At 31 March 2023	1,371	139	1,510

Right-of-use assets represent retail outlets leased by the Group and motor vehicles under finance leases.

9. Intangible assets

The Group	Non-compete agreement $'000
Cost	
At 1 April 2022 and 31 March 2023	6
At 30 June 2023	**6**
Accumulated amortisation	
At 1 April 2022	48
Amortisation	1
Disposal of subsidiaries	(48)
At 31 March 2023	1
Amortisation	-
At 30 June 2023	**1**
Carrying amount	
At 30 June 2023	**5**
At 31 March 2023	5

Intangible assets comprising the non-compete agreement have a finite useful life over which they are amortised. Accordingly, non-compete agreements have an amortisation period of 3 years.

10. Plant and equipment

During the three months ended 30 June 2023, the Group acquired assets amounting to $98,000 (30 June 2022: $9,000).

11. Aggregate amount of Group's borrowings and debt securities

	As at 30 June 2023 $'000	As at 31 March 2023 $'000
(a) Amount repayable in one year or less, or on-demand (secured)		
Loans and borrowings	**1,505**	1,756
Leases liabilities	**1,296**	1,695
	2,801	3,451
(b) Amount repayable after one year (secured)		
Loans and borrowings	**-**	-
Leases liabilities	**744**	710
	744	710
	3,545	4,161

Lease liabilities

i. The Group has lease contracts for retail outlets used in its operations. Leases of retail outlets generally have lease terms of two years with an option to renew for another two years. Generally, the Group is restricted from assigning and subleasing the leased assets.

12. Share capital

The Company	**As at 30 June 2023**	As at 31 March 2023	**As at 30 June 2023**	As at 31 March 2023
	Number of ordinary shares		**$'000**	$'000
Issued and fully paid with no par value				
At the beginning of the year	**232,172,215**	232,172,215	**11,944**	11,944
At the end of the year	**232,172,215**	232,172,215	**11,944**	11,944

Note: -

There were no outstanding convertibles, treasury shares and subsidiary holdings as at 30 June 2023 and 31 March 2023.

There were no sales, transfers, cancellations and/or use of treasury shares or subsidiary holdings during the current financial period reported on.

13. Subsequent events

There are no known subsequent events that have led to adjustments to this set of condensed interim consolidated financial statements.

F. Other information required by Catalist Rule Appendix 7C

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

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, statement of changes in equity of the Company and condensed consolidated statement of cash flows for the three months and financial year ended 30 June 2023, and explanatory notes have not been audited or reviewed by the Company's auditor.

2. 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 has been adequately disclosed.
This is not required for any audit issue that is a material uncertainty relating to going concern.

a) Please see paragraphs 2.1 – 2.13 below.
b) Please see the Company's separate announcement on 13 July 2023 on the audit disclaimer.

The disclaimer of opinion from the Company's auditors, Foo Kon Tan LLP ("**FKT**"), arose due to the following:

2.1 Opening balances and comparative information

FKT were unable to perform necessary audit procedures to obtain sufficient appropriate audit evidence to determine whether the Group's and Company's opening balances as at 1 April 2022 audited by the previous auditor, Mazars LLP ("**Mazars**") were fairly stated. Accordingly, any adjustments found to be necessary may significantly affect the Group's financial performance and cash flows for FY2023 and the related disclosures in the notes to the financial statements for FY2023. In addition, there is a possible effect of these matters on the comparability of the current year's figures and the corresponding figures.

<u>Efforts taken by the Company to resolve the issue:</u>

The Board wishes to highlight that the difficulties experienced by the Auditor and the predecessor auditor to determine whether the opening balances of the assets and liabilities of the Group and the Company as at 1 April 2021 and 1 April 2022 are appropriately stated were due to the Group and the Company experiencing high staff attrition, including short notice departure of several key personnel within the finance team who had the relevant background information on the historical financial information of the Group and such responsibilities were also not sufficiently handed over to the newly formed finance team. In this connection, the Group had made several announcements pertaining to the extension of the unaudited financial results and holding its Annual General Meeting.

In stabilising and strengthening the finance team, the Group went on to hire new finance team members from September 2022 onwards, including the appointment of a new Group Chief Financial Officer in December 2022 and finance manager in May 2023 as the previous finance manager resigned during the critical phase of the audit due to health reasons. Collectively, the new finance team members are on average less than 6 months term and do not have the relevant runway period and background knowledge on the historical financial information, resulting in difficulties in coordinating the audit process, which includes facilitating information requests between the Auditor and the relevant departments within the Group.

The Board also wishes to highlight that while the team had provided full cooperation to the Auditor during the course of the audit, they generally required a longer response time to the Auditor's requirements due to the Group's FY22 disclaimer of opinion, in which the Auditor has also enhanced their audit procedures and vouching documentation.

2.2 Impairment of non-financial assets

FKT expressed that they were unable to ascertain whether there are any impairment losses on the Group's plant and equipment, right-of-use assets and joint ventures, and the Company's subsidiaries to be recognised in the Group's and the Company's profit or loss for FY2023, and satisfy themselves as to the appropriateness of the carrying amount of the Group's plant and equipment, right-of-use assets and joint ventures and the Company's subsidiaries as at 31 March 2023 and the opening balances as at 1 April 2022.

Efforts taken by the Company to resolve the issue:

The Board wishes to highlight that the difficulties experienced by the Auditor, as mentioned above, are mainly due to the carrying amount and opening balances as at 1 April 2022.

Nevertheless, the Group reviews the carrying amounts of its non-financial assets at each reporting date to assess for any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In this connection, management has assessed and written off the non-financial assets, which include intangible assets and goodwill with carrying amount of S$90,000 and S$2,586,000 was due to the disposal of 50% equity shares of Monsoon Hairdressing group of companies ("**Monsoon Group**") to Vintage Studio Pte Ltd ("**Vintage**") as per the announcement on 1 February 2023. Pertaining to the joint ventures with carrying amount of S$1,394,000, management has assessed that there are no impairment losses for the joint venture with Vintage, as the collaboration, despite being in its infancy phase, has already shown positive results in the outlets.

The Board also wishes to highlight that while the new finance team had provided full cooperation to the Auditor during the course of the audit, even though they do not have the relevant runway period and background knowledge on the historical financial information to provide for the opening balance as at 1 April 2022 which would also affect the impairment losses on the non-financial assets to be recognised in the Group's and the Company's profit and loss for FY2023.

2.3 Subsidiaries

FKT expressed that they were unable to obtain the relevant supporting documents, such as the details making up the costs of certain subsidiaries, to ascertain the accuracy of the costs of investments in these subsidiaries. Consequently, they were unable to satisfy themselves as to the appropriateness of the carrying amount of the Company's investments in subsidiaries as at 31 March 2023 and the opening balance as at 1 April 2022.

Efforts taken by the Company to resolve the issue:

The Board wishes to highlight that Company's investments in subsidiaries amounting to S$2,507,000 as at 31 March 2023 pertaining to the Company's wholly-owned subsidiary, M2 Group Pte. Ltd., which on 6 February 2023, entered into a sale and purchase agreement ("SPA") with Vintage Studio Pte. Ltd. ("Vintage") in relation to the proposed disposal of 50% equity interest in each of Hatsuga Enterprise Pte. Ltd., M Nature Pte. Ltd., M Plus Hair Pte. Ltd. and Monsoon Hair House Pte. Ltd. for a cash consideration of S$800,000. The Group had accounted for the remaining 30% equity interest in the respective entities as investments in joint ventures, of which the fair value at the date of disposal was S$870,000. Management has assessed that there are no impairment losses for M2 Group Pte. Ltd arising from the joint venture with Vintage, given that the outlets have already started to show positive results despite the collaboration being in its infancy phase.

The Board also wishes to highlight that while the new finance team had provided full cooperation to the Auditor during the course of the audit, even though they do not have the relevant runway period and background knowledge on the historical financial information to provide for the opening balance as at 1 April 2022 which would also affect the carrying amount for the investment in subsidiaries as at 31 March 2023.

2.4 Joint ventures

As disclosed in Note 35 to the Annual Report, the acquisition of 20% equity interest in each of Hatsuga Enterprise Pte. Ltd., M Nature Pte. Ltd., M Plus Hair Pte. Ltd., Monsoon Hair House Pte. Ltd. and Starting Line Trading Pte. Ltd. was completed on 20 June 2023. The financial effects of the acquisition have not been disclosed in the financial statements. Consequently, FKT expressed that they were unable to satisfy themselves as to the completeness of disclosures of the related information in the financial statements.

Efforts taken by the Company to resolve the issue:

The Board wishes to highlight that the above concerns are also pertaining to the joint venture with Vintage. The management has made its assessment based on the collaboration with Vintage. Despite it having only been a short span of time since Vintage acquired 50% equity interest in each of Hatsuga Enterprise Pte. Ltd., M Nature Pte. Ltd., M Plus Hair Pte. Ltd. and Monsoon Hair House Pte. Ltd., the business collaboration has yielded positive results in the outlets.

2.5 Inventories

FKT expressed that they were unable to obtain the detailed inventories listing and reconciliation workings to agree to the general ledger as at 31 March 2023. They were also unable to obtain the relevant supporting documents, such as supplier invoices, to ascertain the accuracy of the cost of inventories, and sales invoices for the sale of inventories or rendering of services, to ascertain the net realisable value of inventories as at 31 March 2023. In addition, they were unable to ascertain the cut-off of purchases. Under SFRS(I) 1-2 Inventories, inventories shall be measured at the lower of cost and net realisable value. Consequently, they were unable to satisfy themselves as to the appropriateness of the carrying amount of the Group's inventories as at 31 March 2023 and the opening balance as at 1 April 2022. In the absence of sufficient documentary evidence, they were also unable to ascertain the appropriateness of purchases recognised in profit or loss and any write-down on inventories to be recognised in profit or loss for FY2023.

<u>Efforts taken by the Company to resolve the issue:</u>

The Board wishes to highlight that the Group measures inventories at the lower of cost and net realisable value. The Group records a write-down for inventories of components and products which have become obsolete or are in excess of anticipated demand or net realisable value. Management also performs a detailed assessment of inventories at the end of each reporting period to establish an allowance for excess and obsolete inventories, evaluating and reviewing the historical sale, current economic and technological trends, forecasted sales, demand requirements, product life cycle, quality issues and current inventory levels.

Accordingly, the Board also wishes to highlight that while the new finance team had provided full cooperation to the Auditor during the course of the audit, even though they do not have the relevant runway period and background knowledge on the historical financial information, which could have resulted in the difficulties experienced by the Auditor, the current finance team and key management will be working closely with Auditor's guidance to place key emphasis procedures and implementation on inventory digital systems and/or workflow for costing, stock-take, and movements on a monthly and quarterly basis.

2.6 Consideration receivable

FKT expressed that they were unable to obtain sufficient information to assess the recoverability of the outstanding consideration receivable and satisfy themselves as to the appropriateness of its carrying amount as at 31 March 2023

<u>Efforts taken by the Company to resolve the issue:</u>

The Board wishes to highlight that Vintage is a leading hairdressing business and brands with various outlets in Singapore's North, South, East, West and Central regions. Vintage also brings years of hairdressing management experience with proven success in the industry. With this joint venture, both partners can leverage their extensive networks to expand their customer base and footprint across the island and elevate their service offerings to enhance the overall customer experience. Accordingly, to date, the joint venture has shown positive collaboration and results from the outlets.

To this extent, the Board and management are confident with Vintage's joint venture and the recoverability of the outstanding consideration receivable.

2.7 Bank deposits

Included in cash and bank deposits as at 31 March 2023 are bank balances of S$4,000 held by a subsidiary of the Company, for which FKT were unable to obtain confirmations from the bank. Consequently, they were unable to satisfy themselves as to the appropriateness of the carrying amounts of these bank balances, any assets held as security, guarantees, commitments and contingencies, and the completeness of bank accounts and any loans or other banking facilities held by the subsidiary as at 31 March 2023.

Efforts taken by the Company to resolve the issue:

The Board wishes to highlight that management has provided the confirmation request to the Auditor for their submission to the bank. In the meantime, management has given full assistance by contacting the corporate bank Relationship Manager to assist and expedite the process from the Credit Office. The management understands that the bank process will take 12 to 14 days and is confident that the auditors will receive this only outstanding bank confirmation for this subsidiary.

2.8 Other payables

Included in trade and other payables as at 31 March 2023 are other payables of the Group and the Company of S$761,000 and S$226,000, respectively. They were unable to obtain a detailed breakdown of the balances of other payables and the relevant supporting documents, such as supplier invoices, to ascertain the appropriateness of their carrying amounts as at 31 March 2023.

Efforts taken by the Company to resolve the issue:

The Board wishes to highlight that the new finance team had provided full cooperation to the Auditor during the course of the audit even though they did not have the relevant runway period and background knowledge on the historical financial information, which could have resulted in the difficulties experienced by the Auditor. The current finance team and key management have already placed key emphasis and implementation on strengthening the documentation process and enhancing document retention digitally for payables invoices, procedures and workflow on a monthly and quarterly basis.

2.9 Revenue and contract liabilities

FKT expressed that they were unable to ascertain the existence, completeness and accuracy of revenue for FY2023 and contract liabilities as at 31 March 2023 recognised by the Group. Consequently, they were unable to satisfy themselves as to the appropriateness of the Group's revenue for FY2023, the carrying amount of the Group's contract liabilities as at 31 March 2023 and the opening balance as at 1 April 2022, and the related disclosures in the notes to the financial statements for FY2023.

Efforts taken by the Company to resolve the issue:

Sale of products
The Group sells beauty, wellness and haircare products directly to customers. Revenue from the sale of products is recognised at a point in time when the products are delivered to the customer, all criteria for acceptance have been satisfied, and the customer obtains control of the products, including the legal title to the goods and the significant risks and rewards of ownership of the products.

Beauty, slimming and spa service treatments and hairdressing treatments
Revenue from beauty, slimming and spa service treatments and hairdressing treatments are recognised when services are rendered. Billed amounts for services not rendered at the end of the reporting period are recognised as advance consideration and included in contract liabilities.

Accordingly, the Board also wishes to highlight that while the new finance team had provided full cooperation to the Auditor during the course of the audit, even though they do not have the relevant runway period and background knowledge on the historical financial information, which could have resulted in the difficulties experienced by the

Auditor. The current finance team and key management have already placed key emphasis and implementation on strengthening the sales documentation process, enhancing document retention digitally for sales invoices, and digitalising treatment cards or other transactional records to demonstrate the occurrence, procedures and workflow on a monthly and quarterly basis.

2.10 Staff costs

Included in staff costs on the consolidated statement of profit or loss and other comprehensive income for FY2023 are commission expenses of S$885,000. FKT expressed that they were unable to obtain sufficient appropriate audit evidence, including the detailed breakdown of sales commissions by employees which agree to the general ledger and the supporting computational workings and records, to ascertain the existence, completeness, accuracy and classification of the commission expenses. Consequently, they were unable to satisfy themselves in respect of the appropriateness of staff costs for FY2023.

Efforts taken by the Company to resolve the issue:

Accordingly, the Board also wish to highlight that while the new finance team had provided full cooperation to the Auditor during the course of the audit, even though they do not have the relevant runway period and background knowledge on the historical financial information, which could have resulted in the difficulties experienced by the Auditor. The current finance team and key management have already placed key emphasis and implementation to strengthen the documentation for commission expenses digitally to demonstrate the occurrence, procedures and workflow on a monthly and quarterly basis.

2.11 Related party balances and transactions

FKT expressed that they were unable to obtain the detailed listing of balances and transactions which agree between the respective group entities and related parties. In addition, we have been unable to obtain sufficient information to assess the impairment of the non-trade amounts due from subsidiaries. Consequently, they were unable to satisfy themselves as to the appropriateness of the carrying amounts of the Company's non-trade amounts due from subsidiaries and the Group's non-trade amounts due from related parties, and the Company's non-trade amounts due to subsidiaries and the Group's non-trade amounts due to related parties and a director as at 31 March 2023, and the opening balances as at 1 April 2022. They were also unable to determine if there are any adjustments or disclosures required in respect of the financial statements of the Group and the Company for FY2023.

Efforts taken by the Company to resolve the issue:

Accordingly, the Board also wishes to highlight that while the new finance team had provided full cooperation to the Auditor during the course of the audit, even though they do not have the relevant runway period and background knowledge on the historical financial information, which could have resulted in the difficulties experienced by the Auditor. The current finance team and key management have already placed key emphasis and implementation to strengthen the documentation for related party transactions digitally to demonstrate the occurrence, procedures and workflow on a monthly and quarterly basis.

2.12 Income taxes

FKT expressed that certain matters described in the preceding paragraphs have tax implications which have not been assessed by management. Should any adjustments be found necessary, the Group's income taxes may have to be adjusted accordingly.

Efforts taken by the Company to resolve the issue:

The Board wishes to highlight that the Group understands the importance of ensuring compliance with tax laws and regulations and maintaining transparency in our financial reporting. We take the matter of tax implications seriously and are committed to addressing any adjustments. Should any adjustments be deemed necessary due to this review, we will promptly make the required changes to our financial statements or other relevant documents. These adjustments will accurately reflect any revised or corrected information and ensure our income taxes are appropriately adjusted. We also understand the importance of timely and accurate tax reporting, and we will diligently handle any adjustments required to comply with tax laws and regulations.

2.13 Going concern assumptions

As at 31 March 2023, the Group had net current liabilities and net liabilities of S$8,357,000 and S$5,539,000, respectively, while the Company had net current liabilities and net liabilities of S$4,590,000 and S$2,083,000, respectively. In addition, the Group incurred a net loss of S$1,041,000 for FY2023. FKT expressed that they were unable to obtain sufficient appropriate audit evidence to satisfy themselves whether the use of the going concern assumption in preparing the financial statements is appropriate.

Efforts taken by the Company to resolve the issue:

The Board wishes to highlight that the controlling shareholder has given the undertaking to provide continuing financial support to the Group and the Company for the next 12 months after the date of the authorisation of the financial statements for the financial year ended 31 March 2023 and not demand immediate payments for amounts owing by the Group and the Company, to enable them to continue to operate as going concern.

In the meantime, the Company is exploring several possible options, which may include (i) recapitalising by converting shareholder's loan/payables to equity shares, (ii) rights issue or share placement to raise additional working capital for the Group and/or (iii) seeking a shareholder loan from the corporate shareholder.

In addition, the Group has also provided cash flow forecasts and assumptions to the Board and Auditor for their assessment and review. The Group will work towards the realisation of its forecast to generate positive cash flows from the current operations to fulfil the payment of current liabilities as and when they fall due.

The Group continues to be (i) prudent with its cash flow planning and will take active measures to trim laggard cash-generating units to focus on higher margin and higher value services, pivoting on the tried and tested and what the Group does best amid high rentals and payroll costs (ii) implement staff incentive schemes (which may include the Performance Share Plan) for staff retention in the tight labour market environment (iii) digital transformation to drive revenue with lower upfront costs, and (iv) potential corporate fund-raising exercises.

In view of the foregoing, the Directors believe that the Group and the Company can continue operating as going concerns.

3. **Review of the performance of the group**

a. **Statement of Profit or Loss and Other Comprehensive Income**

Revenue recorded by the Group for 3 months for the financial period ended 30 June 2023 ("**1QFY24**") amounted to $1.3 million, a decrease of $1.0 million as compared to $2.3 million for the 3 months ended 30 June 2022 ("**1QFY23**"). This was mainly due to the following:

(i) Disposal of shareholding in four subsidiaries under the Monsoon Hairdressing Group; and

(ii) Decrease in revenue from the beauty, slimming, and spa treatment services by approximately $124,000 in 1QFY24, mainly due to slower sales activities.

Other operating income increased by $0.3 million from $0.1 million in 1QFY23 to $0.4 million in 1QFY24, which was mainly attributable to the various Government support measures.

Purchases and related costs (including changes in inventories) decreased by $163,000 from $218,000 in 1QFY23 to $55,000 in 1QFY24, primarily due to lower revenue.

Depreciation of plant and equipment increased by $8,000 in 1QFY24, mainly due to the addition of plant and equipment.

Depreciation of right-of-use assets and operating lease expenses on a combined basis decreased by $0.3 million in 1QFY24, mainly attributable to the lease termination of an outlet.

Staff costs decreased by $0.5 million in 1QFY24, mainly due to lower commission pay-out due to lower revenue.

As a result of the above factors, the Group reported a net loss of $0.7 million in 1QFY24, compared to a net loss of $0.6 million in 1QFY23.

b. **Statement of Financial Position**

Current and non-current assets

The Group's non-current assets increased by approximately $0.3 million, mainly due to the following:

(i) additional investment in joint ventures amounting to $0.6 million, which was partially offset by the share of loss of joint ventures of approximately $0.1 million; and
(ii) addition in plant and equipment amounting to $0.1 million.

The Group's current assets decreased by approximately $0.6 million, mainly due to the following:

(i) decrease in cash and cash equivalents of approximately $0.7 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 $0.5 million was mainly due to the following:

(i) an increase in contract liabilities of $0.4 million arising from prepaid packages recorded; and

Equity

The Group recorded a negative working capital of $9.3 million and a negative equity of $6.3 million as at 30 June 2023.

As at 30 June 2023, the Company's current liabilities exceeded its current assets by $4.7 million, and the Company had a deficit in equity of $2.1 million.

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 fundraising exercises.

c. Statement of Cash Flows Statement

The Group's net cash used in operating activities for the financial period ended 30 June 2023 of $0.5 million comprised mainly the following:

(i) Operating loss of $0.7 million, depreciation of plant and equipment and depreciation of right-of-use assets of $0.3 million;
(ii) Decrease in a change in trade and other receivables of $0.2 million arising from receivables collections; and
(iii) Increase in a change in trade and other payables of $0.6 million arising from other accruals.

The Group's net cash used in investing activities for the financial period ended 30 June 2023 of $0.1 million mainly due to the following:

(i) Acquisition of plant and equipment of approximately $0.1 million, which was related to the purchase of computer equipment.

The Group's net cash used in financing activities for the financial period ended 30 June 2023 of about $0.6 million was mainly due to:

(i) Repayment of borrowings of $0.2 million; and
(ii) Repayment of lease liabilities of $0.3 million.

As a result of the above, the total cash and cash equivalents as at 1QFY24 were $1.0 million.

4. 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 prospect statement has been previously disclosed to shareholders.

5. 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.

For the next 6 to 12 months, management is expecting another challenging year given a multitude of factors, including the transitioning of the COVID-19 pandemic to an endemic, uncertainties among consumers' spending due to the high-interest rates brought about by the inflationary pressures, the economic activities due to the ongoing geopolitical tensions in Eastern Europe, and the US-China relationship which may sap consumers' confidence in the retail and service markets that the Group operates in hence leading to more conservative consumption behaviour.

While rolling out the Group's inorganic growth strategy, management also expects to incur professional fees for services including, but not limited to, assessment of M&A targets, corporate actions, registrations and enforcement of the Group's intellectual properties in various overseas markets.

Management is also looking at certain R&D investments in next-generation skincare and wellness products for continued innovative products to be launched in the medium to long term.

As the Group re-focuses on its core beauty and wellness business to grow in scale and complexity, we expect more frontline hirings that will increase staff costs. Coupled with higher expenses, including renovation costs and depreciation in relation to the new openings/relocation/refurbishment of outlets, we would also expect higher administrative expenses in the periods ahead.

6. Dividend

a. Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None. No dividend has been declared or recommended for 1QFY24 in view of the Group's financial position as at 30 June 2023 and as the Group wishes to conserve cash to fulfil the operational and financial requirements of the Group.

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.

7. Interested person transaction

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$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S$ million)	Aggregate value of all IPTs conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S$100,000) (S$ million)
Suki Sushi Pte Ltd[1] (Operating lease expenses)	Mr Lee holds a 78.55% interest in Suki Sushi, while Ms Ho holds 21.45%. Accordingly, Mr Lee is deemed interested in 110,466,839 shares representing 47.58% of the Company's capital by virtue of his 78.55% shareholding interest in Suki Sushi Pte Ltd ("Suki Sushi"). Ms Ho directly owns 42,433,333 Shares representing 18.28% of the Company's Shares, and is deemed interested in 47.58% of the Company by virtue of her 21.45% shareholding interest in Suki Sushi.	0.041	-

Note: 1. Please refer to the Company's announcement dated 29 January 2021 for more details.

8. 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) of the Catalist Rules

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format as set out in Appendix 7H under Rule 720(1) of the Listing Manual of the SGX-ST.

9. Negative confirmation pursuant to Rule 705(5) of the Catalist Rules

The Company's Board of Directors 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 false or misleading in any material aspect.

10. Disclosures on acquisition or sale of shares pursuant to Rule 706A of the Catalist Rules

The Group refers to its previous announcement dated 29 May 2023 in relation to the acquisition of 20% of the issued share capital of each of the following Target Companies (defined below) ("Sale Shares") by the Group's wholly-owned subsidiary, M2 Group Pte. Ltd. (the "Purchaser") from Mr Siew Chin Juin (the "Seller") for an aggregate consideration of S$50,000.

The Target Companies are:

S/No.	Name of Target Companies	Issued and Paid-up Share Capital	Principal Activity of Target Company	No. of Ordinary Shares Acquired
1	Hatsuga Enterprise Pte. Ltd.	SGD1,000 comprising 1,000 ordinary shares	• Wholesale of Cosmetics and Toiletries; and • Management Consultancy Services (General)	200 ordinary shares
2	M Nature Pte. Ltd.	SGD200,000 comprising 200,000 ordinary shares	• Hairdressing Salons/Shops (Including Barber Shops)	40,000 ordinary shares
3	M Plus Hair Pte. Ltd.	SGD100,000 comprising 100,000 ordinary shares	• Beauty and Other Personal Care Services N.E.C – Skin Care, Beauty and Hair Care Products; and • Hairdressing Salons/Shops (Including Barber Shops) – Hair Salon	20,000 ordinary shares
4	Monsoon Hair House Pte. Ltd.	SGD60,000 comprising 60,000 ordinary shares	• Beauty Salons and Spas (Including Slimming, Skin Care and Hair Care Centres) – Hairdressing, Hair Styling and Hair Treatment	12,000 ordinary shares
5	Starting Line Trading Pte. Ltd.	SGD10,000 comprising 10,000 Ordinary Shares	• Wholesale Trade of a Variety of Goods Without a Dominant Product	2,000 ordinary shares

11. 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. No such proceeds.

BY ORDER OF THE BOARD

Ho Yow Ping (He YouPing)
Chief Executive Officer
14 August 2023

This announcement has been reviewed by the Company's Sponsor, Evolve Capital Advisory 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 Mr Jerry Chua (Tel: (65) 6241 6626), at 138 Robinson Road, #13-02 Oxley Tower, Singapore 068906.