

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

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**MATERIAL UNCERTAINTY RELATED TO GOING CONCERN ON THE AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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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 (“**Auditor**”) has, 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 2020 (“**FY2020**”) (the “**Audited Financial Statements**”). The opinion of the Auditor is not modified in respect of this matter.

The Independent Auditor’s Report is annexed to this announcement for information purposes. The Independent Auditor’s Report and the Audited Financial Statements will form part of the Company’s Annual Report for FY2020 (the “**FY2020 Annual Report**”) which will be released to the shareholders of the Company (the “**Shareholders**”) in due course. Shareholders are advised to read the Audited Financial Statements and the FY2020 Annual Report in their entirety.

**Relevant extracts from the FY2020 Annual Report are as below:**

- (A) Material Uncertainty Related to Going Concern - Independent Auditor’s Report *“We draw attention to Note 2 to the financial statements. The Group incurred losses and total comprehensive loss of \$9,633,000 and \$9,628,000 (2019 - \$202,000 and \$525,000) and reported a net operating cash outflows of \$1,304,000 (2019 - \$28,881,000) for the financial year ended 31 March 2020. As at 31 March 2020, the Group’s current liabilities exceeded its current assets by \$8,219,000 (2019 - \$4,115,000) and the Group had a deficit in equity of \$10,978,000 (2019 - \$3,289,000).*

*As at 31 March 2020, the Company’s current liabilities exceeded its current assets by \$2,465,000 (2019 - net current asset - \$32,000) and the Company had a deficit in equity of \$2,461,000 (2019 - surplus in equity - \$32,000).*

*These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as going concern. Our opinion is not modified in respect of this matter.”*

- (B) Going Concern - Note 2a of the Audited Financial Statements

*“The Group incurred losses and total comprehensive loss of \$9,633,000 and \$9,628,000 (2019 - \$202,000 and \$525,000) and reported a net operating cash outflows of \$1,304,000 (2019 - \$28,881,000) for the financial year ended 31 March 2020. As at 31 March 2020, the Group’s current liabilities exceeded its current assets by \$8,219,000 (2019 - \$4,115,000) and the Group had a deficit in equity of \$10,978,000 (2019 - \$3,289,000).*

*As at 31 March 2020, the Company’s current liabilities exceeded its current assets by \$2,465,000 (2019 - net current asset - \$32,000) and the Company had a deficit in equity of \$2,461,000 (2019 - surplus in equity - \$32,000).*

**Relevant extracts from the FY2020 Annual Report are as below: (Cont'd)**

(B) Going Concern - Note 2a of the Audited Financial Statements (Cont'd)

*As at 31 March 2020, the Group's current liabilities included contract liabilities related to non-refundable payments received in advance from customers amounting to \$1,679,000 (2019 - \$2,365,000). Excluding this amount, the Group's current liabilities would be \$9,930,000 (2019 - \$7,909,000) compared to current assets of \$3,390,000 (2019 - \$6,159,000) as at 31 March 2020.*

*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 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."*

**Board's comments:**

The Directors are of the view that it is appropriate for the Audited Financial Statements of the Group and the Company to be prepared and presented on a going concern basis, having regard to the following:

- (i) The Group continues to be prudent with its cash flow planning and to take active measures to streamline its business and reduce costs;
- (ii) The Group continues to be focused on new sales initiative via social media platforms to drive revenue with lower upfront costs;
- (iii) The controlling shareholder, Suki Sushi Pte. Ltd. has given an undertaking to provide financial support to the Group for the next 12 months after the date of the Independent Auditors Report to operate without any curtailment of operations;
- (iv) The director and the former director have provided an undertaking not to demand repayment of the unsecured and non-interest bearing amounts of S\$1.494 million and S\$2.118 million due from the Group respectively, within the next 36 months from 31 March 2017 or until the cash flows of the Group permits, whichever is later; and
- (v) The Group is actively exploring potential corporate fund-raising exercises.

Further, 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**  
**14 September 2020**

*This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited. This announcement has not been examined or approved by the Singapore Exchange Securities Trading*

*Limited (“**Exchange**”) and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Tay Sim Yee, at 1 Robinson Road #21-00, AIA Tower, Singapore 048542, telephone (65) 6232-3210.*

# **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 statements of financial position of the Group and the Company as at 31 March 2020, 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 Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards (International) (SFRS(I)s) 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 2020 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. The Group incurred losses and total comprehensive loss of \$9,633,000 and \$9,628,000 (2019 - \$202,000 and \$525,000) and reported a net operating cash outflows of \$1,304,000 (2019 - \$28,881,000) for the financial year ended 31 March 2020. As at 31 March 2020, the Group's current liabilities exceeded its current assets by \$8,219,000 (2019 - \$4,115,000) and the Group had a deficit in equity of \$10,978,000 (2019 - \$3,289,000).

As at 31 March 2020, the Company's current liabilities exceeded its current assets by \$2,465,000 (2019 - net current asset - \$32,000) and the Company had a deficit in equity of \$2,461,000 (2019 - surplus in equity - \$32,000).

These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as going concern. Our opinion is not modified in respect of this matter.

## **Independent auditor's report to the members of Mary Chia Holdings Limited (Cont'd)**

### **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.

Our opinion on the financial statements does not cover the other information and we do 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 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 SFRS(I)s, 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 and the Company'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 the Company or to cease operations, or has no realistic alternative but to do so.

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

# **Independent auditor's report to the members of Mary Chia Holdings Limited (Cont'd)**

## **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 or the Company'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 or the Company'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 or the Company 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 (Cont'd)**

## **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.

## **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 subsidiaries 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 Ang Soh Mui.

Foo Kon Tan LLP  
Public Accountants and  
Chartered Accountants

Singapore, 14 September 2020

# **Notes to the financial statements**

## **for the financial year ended 31 March 2020**

### **1 General information**

The financial statements of the Company and of the Group for the year ended 31 March 2020 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 183 Thomson Road Goldhill Shopping Centre Singapore 307628 and its principle place of business is located at 26 Tai Seng Street, #07-02 J'Forte, Singapore 534057.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

The ultimate controlling parties of the Company are Suki Sushi Pte. Ltd. (holding company), Mr Lee Boon Leng and Ms Ho Yow Ping (He YouPing).

### **2(a) Basis of preparation**

#### Going concern

The Group incurred losses and total comprehensive loss of \$9,633,000 and \$9,628,000 (2019 - \$202,000 and \$525,000) and reported a net operating cash outflows of \$1,304,000 (2019 - \$28,881,000) for the financial year ended 31 March 2020. As at 31 March 2020, the Group's current liabilities exceeded its current assets by \$8,219,000 (2019 - \$4,115,000) and the Group had a deficit in equity of \$10,978,000 (2019 - \$3,289,000).

As at 31 March 2020, the Company's current liabilities exceeded its current assets by \$2,465,000 (2019 - net current asset - \$32,000) and the Company had a deficit in equity of \$2,461,000 (2019 - surplus in equity - \$32,000).

As at 31 March 2020, the Group's current liabilities included contract liabilities related to non-refundable payments received in advance from customers amounting to \$1,679,000 (2019 - \$2,365,000). Excluding this amount, the Group's current liabilities would be \$9,930,000 (2019 - \$7,909,000) compared to current assets of \$3,390,000 (2019 - \$6,159,000) as at 31 March 2020.

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 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.

The financial statements are drawn up in accordance with the provisions of the Act and SFRS(I)s including related interpretations promulgated by the Accounting Standards Council ("ASC"), and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.



**2(a) Basis of preparation (Cont'd)**

The preparation of financial statements in conformity with SFRS(I) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 2(d).

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