



## **UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MARCH 2024**

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 Catalyst Rule 705.

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.

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

	Note	Group		Variance	Group		Variance
		12 months ended 31 March 2024	12 months ended 31 March 2023		6 months ended 31 March 2024	6 months ended 31 March 2023	
		\$'000 (unaudited)	\$'000 (audited)		\$'000 (unaudited)	\$'000 (unaudited)	
<b>Revenue</b>	4	6,250	8,717	(28)	3,468	4,042	(14)
Other operating income	6	516	1,079	(52)	87	875	(90)
Purchases and related costs		(309)	(654)	(53)	(126)	(493)	(74)
Changes in inventories		(1)	-	N.M.	2	-	N.M.
Depreciation of plant and equipment		(368)	(283)	30	(180)	(133)	35
Depreciation of right-of-use assets		(939)	(2,062)	(54)	(496)	(1,220)	(59)
Staff costs		(4,346)	(5,907)	(26)	(2,410)	(2,968)	(19)
Operating lease expense		(233)	(431)	(46)	(120)	(128)	(6)
Other operating expenses		(2,492)	(1,583)	57	(1,476)	(611)	N.M.
Impairment loss on joint ventures		771	-	N.M.	771	-	N.M.
Finance costs		(443)	(441)	N.M.	(368)	(240)	53
Share of results of joint ventures, net of tax		(431)	524	N.M.	(253)	524	N.M.
<b>Loss before income tax</b>		(2,025)	(1,041)	N.M.	(1,101)	(352)	N.M.
Income tax expense		-	-	N.M.	-	-	N.M.
<b>Loss for the year, net of tax</b>		(2,025)	(1,041)	N.M.	(1,101)	(352)	N.M.
<b>Other comprehensive income for the period, net of tax:</b>							
<b>Items that may be reclassified subsequently to profit or loss</b>							
Exchange differences on translation of foreign operations		111	248	(55)	(8)	101	N.M.
<b>Other comprehensive income for the year, net of tax</b>		111	248	(55)	(8)	101	N.M.
<b>Total comprehensive loss for the year</b>		(1,914)	(793)	N.M.	(1,109)	(251)	N.M.
<b>Loss attributable to:</b>							
Equity holders of the Company		(2,018)	(988)	N.M.	(1,099)	(405)	N.M.
Non-controlling interests		(7)	(53)	(87)	(2)	53	N.M.
		(2,025)	(1,041)		(1,101)	(352)	
<b>Total comprehensive loss attributable to:</b>							
Equity holders of the Company		(1,907)	(740)	N.M.	(1,107)	(304)	N.M.
Non-controlling interests		(7)	(53)	(87)	(2)	53	N.M.
		(1,914)	(793)		(1,109)	(251)	
<b>Loss per share attributable to equity holders of the Company (cents):</b>							
Weighted average number of ordinary shares		232,172,215	232,172,215		232,172,215	232,172,215	
Basic and diluted loss per share		(0.82)	(0.32)		0.48	0.13	

N.M. = Not Meaningful

## B. Condensed interim consolidated statements of financial position

Note	<u>Group</u>		<u>Company</u>	
	31 March 2024 \$'000	31 March 2023 \$'000	31 March 2024 \$'000	31 March 2023 \$'000
<b><u>ASSETS</u></b>				
<b>Non-current assets</b>				
Plant and equipment	10	733	714	-
Right-of-use assets	8	1,055	1,510	-
Intangible assets	9	4	5	-
Investments in subsidiaries		-	-	2,507
Investment in joint ventures		-	1,394	-
Total non-current assets		1,792	3,623	-
<b>Current assets</b>				
Inventories		121	100	-
Trade and other receivables		919	1,287	12,251
Prepayments		26	22	9
Cash and cash equivalents		118	1,673	10
Total current assets		1,184	3,082	12,270
<b>Total assets</b>		<b>2,976</b>	<b>6,705</b>	<b>12,270</b>
<b><u>EQUITY AND LIABILITIES</u></b>				
<b>Capital and reserves</b>				
Share capital	12	11,944	11,944	11,944
Reserves		(20,579)	(18,553)	(17,305)
Attributable to equity holders to the company		(8,635)	(6,609)	(5,361)
Non-controlling interests		(1,576)	1,070	-
<b>Total equity</b>		<b>(10,211)</b>	<b>(5,539)</b>	<b>(5,361)</b>
<b>Non-current liabilities</b>				
Lease liabilities	11	798	710	-
Provision		90	95	-
Total non-current liabilities		888	805	-
<b>Current liabilities</b>				
Trade and other payables		7,189	5,516	16,631
Borrowings	11	2,065	1,756	1,000
Lease liabilities	11	531	1,695	-
Contract liabilities		2,273	2,205	-
Provision		130	165	-
Current tax liabilities		111	102	-
Total current liabilities		12,299	11,439	17,631
<b>Total liabilities and equity</b>		<b>2,976</b>	<b>6,705</b>	<b>12,270</b>

## C. Condensed interim consolidated statements of changes in equity

### Group

	Attributable to equity holders of the Group					Attributable to equity holders of the Company	Non-controlling interests	Total equity
	Share capital \$'000	Merger reserve \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	\$'000	\$'000	\$'000
<b>2024</b>								
<b>Balance as at 1 April 2023</b>	11,944	(927)	(184)	30	(17,472)	(6,609)	1,070	(5,539)
Loss for the year	-	-	-	-	(2,018)	(2,018)	(7)	(2,025)
Other comprehensive income					(119)	(119)	(2,639)	(2,758)
- Foreign currency translation differences	-	-	-	111	-	111	-	111
<b>Total comprehensive loss for the financial period</b>	-	-	-	111	(2,137)	(2,026)	(2,646)	(4,672)
<b>Balance as at 31 March 2024</b>	11,944	(927)	(184)	141	(19,609)	(8,635)	(1,576)	(10,211)
<b>2023</b>								
<b>Balance as at 1 April 2022</b>	11,944	(927)	(184)	(218)	(16,484)	(5,869)	336	(5,533)
Loss for the year	-	-	-	-	(988)	(988)	(53)	(1,041)
Other comprehensive income								
- Foreign currency translation differences	-	-	-	248	-	248	-	248
<b>Total comprehensive loss for the financial period</b>	-	-	-	248	(988)	(740)	(53)	(793)
Disposal of subsidiaries							787	787
<b>Balance as at 31 March 2023</b>	11,944	(927)	(184)	30	(17,472)	(6,609)	1,070	(5,539)

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

### Company

	Attributable to equity holders of the Company			
	<u>Share capital</u> \$'000	<u>Capital reserve</u> \$'000	<u>Accumulated losses</u> \$'000	<u>Total equity</u> \$'000
<b>2024</b>				
Balance as at 1 April 2023	11,944	215	(14,242)	(2,083)
Loss for the period	-	-	(3,278)	(3,278)
<b>Total comprehensive income for the financial period</b>	-	-	(3,278)	(3,278)
<b>Balance as at 31 March 2024</b>	11,944	215	(17,520)	(5,361)
<b>2023</b>				
Balance as at 1 April 2022	11,944	215	(14,174)	(2,015)
Loss for the period	-	-	(68)	(68)
<b>Total comprehensive loss for the financial period</b>	-	-	(68)	(68)
<b>Balance as at 31 March 2023</b>	11,944	215	(14,242)	(2,083)

## D. Condensed interim consolidated statement of cash flows

	<b>Note</b>	<b>Group</b>	
		<b>12 months ended 31 March 2024 \$'000</b>	<b>12 months ended 31 March 2023 \$'000</b>
<b>Operating activities</b>			
Loss before income tax		(2,025)	(1,041)
Adjustments for:			
Depreciation of plant and equipment		368	283
Depreciation of right-of-use assets	8	939	2,062
Amortisation of intangible assets	9	1	1
Impairment loss on right-of-use assets	8	102	-
Gain on disposal of subsidiaries		(109)	(402)
Impairment loss on trade receivables		-	9
Inventories written off		-	24
Provision reversed		-	(98)
Impairment loss on subsidiaries		1,013	-
Reversal of consideration payable		-	(200)
Finance costs		443	441
Share of results of joint ventures		(2,215)	(524)
<b>Operating cash flows before movements in working capital</b>		<b>(1,483)</b>	<b>555</b>
<i>Changes in working capital:</i>			
Change in inventories		(25)	265
Change in trade and other receivables		364	850
Change in trade, other payables and contract liabilities		1,871	584
Cash generated from operations		727	2,254
Income tax paid		8	10
<b>Cash flows generated from operating activities</b>		<b>735</b>	<b>2,264</b>
<b>Investing activities</b>			
Additions to right-of-use assets	8	(585)	(6)
Purchase of plant and equipment	10	(386)	(220)
Cash from disposal of subsidiaries		(502)	-
Additions of shareholding in subsidiary		(50)	-
Advances made to related parties		-	(561)
Proceeds from disposal of subsidiaries		-	595
<b>Cash flows used in investing activities</b>		<b>(1,523)</b>	<b>(192)</b>
<b>Financing activities</b>			
Interest paid		(427)	(441)
Payment of lease liabilities		(1,003)	(3,595)
Proceeds from borrowings	11	800	1,950
Repayment of borrowings	11	(137)	(1,106)
Restricted cash used		502	120
Advances made by related parties and a director		-	1,440
<b>Cash flows used in financing activities</b>		<b>(265)</b>	<b>(1,632)</b>
Net (decrease)/increase in cash and cash equivalents		(1,053)	440
Cash and cash equivalents at beginning of the financial year		1,171	731
<b>Cash and cash equivalents at end of the financial year</b>		<b>118</b>	<b>1,171</b>
Cash and cash equivalents		118	1,673
Restricted cash		-	(502)
		<b>118</b>	<b>1,171</b>

## 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 for the six months and financial year ended 31 March 2024 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); and
- (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 six months and financial year ended 31 March 2024 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.

#### Going concern

The Group recorded a net loss and total comprehensive loss of \$2,025,000 and \$1,914,000, respectively (31 March 2023: net loss of \$1,041,000 and total comprehensive loss of \$793,000) for the financial year ended 31 March 2024. As at 31 March 2024, the Group's current liabilities exceeded its current assets by \$11,115,000 (31 March 2023: \$8,357,000), and the Group had a deficit in equity of \$10,211,000 (31 March 2023: \$5,539,000).

As at 31 March 2024, the Company's current liabilities exceeded its current assets by \$5,361,000 (31 March 2023: \$4,590,000), and the Company had a deficit in equity of \$5,361,000 (31 March 2023: \$2,083,000).

As at 31 March 2024, the Group's current liabilities included contract liabilities related to non-refundable payments received in advance from customers amounting to \$2,273,000 (31 March 2023: \$2,205,000). Excluding this amount, the Group's current liabilities would be \$10,026,000 (31 March 2023: \$9,234,000) compared to current assets of \$1,184,000 (31 March 2023: \$3,082,000) as at 31 March 2024.



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 27 December 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.

#### Income tax

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.

#### Determination of the lease term

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 that is within the lessee's control. For office premises and service outlet leases, the Group considers factors including historical lease durations and the 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 judgment 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 31 March 2024, the carrying amounts of investments in subsidiaries were \$nil (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 ("IRIL"), and if the IRIL 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 IRIL 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 31 March 2024 was \$220,000 (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 (in accordance with the announcement dated 5<sup>th</sup> April 2024, this business segment will no longer be classified as a reportable segment moving forward)

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

#### 4.1 Reportable segments

Group	Beauty, slimming and spa treatment for women		Beauty, slimming and spa treatment for men		Direct selling		Hairdressing		Total	
	12 months ended	12 months ended	12 months ended	12 months ended	12 months ended	12 months ended	12 months ended	12 months ended	12 months ended	12 months ended
	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	6,034	6,035	171	240	67	186	-	2,549	6,272	9,010
Inter-segment revenue	(22)	(152)	-	-	-	-	-	(141)	(22)	(293)
External revenue	6,012	5,883	171	240	67	186	-	2,408	6,250	8,717
Other information:										
Other operating income	780	1063	(264)	(29)	-	37	-	8	516	1,079
Purchases and related costs	(300)	(411)	-	-	(9)	(48)	-	(195)	(309)	(654)
Changes in inventories	(1)	83	-	-	-	-	-	(83)	(1)	-
Staff costs	(4,216)	(4,149)	(74)	(65)	(56)	(75)	-	(1,618)	(4,346)	(5,907)
Depreciation of plant and equipment	(363)	(82)	(4)	-	-	(1)	(1)	(200)	(368)	(283)
Depreciation of right-of-use assets	(939)	(1,198)	-	-	-	-	-	(864)	(939)	(2,062)
Operating lease expense	(232)	(373)	-	-	(1)	-	-	(58)	(233)	(431)
Other operating expenses	(2,200)	(476)	126	85	(154)	(141)	(264)	(1,051)	(2,492)	(1,583)
Impairment loss on joint ventures	-	-	-	-	-	-	771	-	771	-
Finance costs	(443)	(347)	-	-	-	-	-	(94)	(443)	(441)
Share of results of joint ventures, net of tax	-	-	-	-	-	-	(431)	524	(431)	524
(Loss)/Profit before taxation									(2,025)	(1,041)
Income tax expense									-	-
(Loss)/Profit for the year									(2,025)	(1,041)
<b>Other Information</b>										
Assets										
Segment assets	2,542	5,194	13	12	335	105	86	1,394	2,976	6,705
Liabilities										
Segment liabilities	12,184	11,996	110	65	137	81	645	-	13,076	12,142
Unallocated liabilities										
- Income tax payables	-	102	-	-	-	-	111	-	111	102
Total liabilities									13,187	12,244
<b>Other disclosure</b>										
Capital expenditure	(380)	(208)	(6)	-	-	-	-	(12)	(386)	(220)
Depreciation of plant and equipment	363	82	4	-	-	1	1	200	368	283
Depreciation of right-of-use assets	939	1,198	-	-	-	-	-	864	939	2,062
Amortisation of intangible assets	-	-	-	-	1	1	-	-	1	1

## 4.2 Disaggregation of Revenue

	Singapore		Malaysia		China		Total	
	12 months ended 31 Mar 2024	12 months ended 31 Mar 2023	12 months ended 31 Mar 2024	12 months ended 31 Mar 2023	12 months ended 31 Mar 2024	12 months ended 31 Mar 2023	12 months ended 31 Mar 2024	12 months ended 31 Mar 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue - Sales to external customers	5,729	8,064	521	653	-	-	6,250	8,717
Non-current assets <sup>#</sup>	1,723	3,425	69	198	-	-	1,792	3,623

Note # - exclude deferred tax assets and deposits.

## 4.3 A breakdown of sales

	The Group		
	12 months ended 31 March 2024	12 months ended 31 March 2023	Variance %
	\$'000	\$'000	
Revenue reported for first half year	2,782	4,675	(40)
Loss after tax before non-controlling interests reported for first half year	(924)	(689)	34
Revenue reported for second half year	3,468	4,042	(14)
Loss after tax before non-controlling interests reported for second half year	(1,101)	(352)	>100

## 5. Financial assets and financial liabilities

	The Group		The Company	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets at fair value through profit or loss</b>				
Derivative financial instrument	-	-	-	-
<b>Financial assets at amortised cost</b>				
Trade and other receivables <sup>#</sup>	919	1,287	12,219	9,222
Other assets <sup>#</sup>	-	-	-	-
Cash and cash equivalents	118	1,673	10	1,018
	<b>1,037</b>	<b>2,960</b>	<b>12,229</b>	<b>10,240</b>
<b>Financial liabilities at amortised cost</b>				
Trade and other payables <sup>##</sup>	7,110	5,516	16,631	13,843
Lease liabilities	1,329	2,405	-	-
Borrowings	2,065	1,756	1,000	1,000
	<b>10,504</b>	<b>9,677</b>	<b>17,631</b>	<b>14,843</b>

<sup>#</sup> Exclude goods and services tax and prepayments

<sup>##</sup> Exclude goods and services tax

## 6. Loss before income tax

### 6.1 Significant items

	12 months ended 31 March 2024 \$'000	12 months ended 31 March 2023 \$'000
<b>Income</b>		
Government grants	252	157
Rental rebate	2	-
<b>Expenses</b>		
Interest on borrowings	(354)	(211)
Interest on lease liabilities	(73)	(188)
Interest on hire purchase	(16)	(5)

### 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

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Net asset value per ordinary share based on issued share capital as at the end of the financial year reported on (SG Cents).	<b>(4.40)</b>	(2.39)	<b>(2.31)</b>	(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 31 March 2024 (31 March 2023: 232,172,215).

## 8. Right-of-use assets

The Group	Retail outlets \$'000	Motor vehicle \$'000	Total \$'000
<u>Cost</u>			
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	<b>8,050</b>	<b>272</b>	<b>8,322</b>
Additions	<b>585</b>	-	<b>585</b>
<b>At 31 March 2024</b>	<b>8,635</b>	<b>272</b>	<b>8,907</b>
<u>Accumulated depreciation</u>			
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	<b>6,679</b>	<b>133</b>	<b>6,812</b>
Depreciation for the year	<b>879</b>	<b>59</b>	<b>938</b>
Impairment loss	<b>102</b>	-	<b>102</b>
<b>At 31 March 2024</b>	<b>7,660</b>	<b>192</b>	<b>7,852</b>
<u>Carrying amount</u>			
<b>At 31 March 2024</b>	<b>975</b>	<b>80</b>	<b>1,055</b>
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	Software \$'000
<u>Cost</u>	
At 1 April 2022 and 31 March 2023	6
<b>At 31 March 2024</b>	<b>6</b>
<u>Accumulated amortisation</u>	
At 1 April 2022	48
Amortisation	1
Disposal of subsidiaries	(48)
At 31 March 2023	1
Amortisation	1
<b>At 31 March 2024</b>	<b>2</b>
<u>Carrying amount</u>	
<b>At 31 March 2024</b>	<b>4</b>
At 31 March 2023	5

Intangible assets, comprising the software, have a finite useful life over which they are amortised. Accordingly, the software has an amortisation period of 5 years.

## 10. Plant and equipment

During the twelve months ended 31 March 2024, the Group acquired assets amounting to \$386,000 (31 March 2023: \$140,000).

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

	As at 31 March 2024 \$'000	As at 31 March 2023 \$'000
<b>(a) Amount repayable in one year or less, or on-demand (secured)</b>		
Loans and borrowings	<b>2,065</b>	1,756
Leases liabilities	<b>531</b>	1,695
	<b>2,596</b>	3,451

**(b) Amount repayable after one year (secured)**

Loans and borrowings	-	-
Leases liabilities	798	710
	<b>798</b>	<b>710</b>
	<b>3,394</b>	<b>4,161</b>

**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**

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024 \$'000	As at 31 March 2023 \$'000
The Company	Number of ordinary shares			
<b>Issued and fully paid with no par value</b>				
At the beginning of the year	<b>232,172,215</b>	232,172,215	<b>11,944</b>	11,944
At the end of the year	<b>232,172,215</b>	232,172,215	<b>11,944</b>	11,944

Note: -

There were no outstanding convertibles, treasury shares and subsidiary holdings as at 31 March 2024 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 consolidated financial statements.



## **F. Other information required by Catalyst 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 31 March 2024 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 31 March 2024, 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.

##### Efforts taken by the Company to resolve the issue:

The Board seeks to underscore the considerable intricacies faced by both the Auditor and their predecessor in validating 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. These challenges stemmed from the substantial personnel turnover within the organisation, particularly the abrupt departure of key finance team members possessing historical financial information. Regrettably, the transfer of crucial knowledge to the emerging finance team was insufficient, resulting in announcements regarding extensions for unaudited financial results and the postponement of the Annual General Meeting during 2022/2021.

In an endeavour to stabilise and fortify the finance team, the Group hired new finance team members from September 2022 onwards, including the appointment of a new Group Chief Financial Officer in December 2022 and a finance manager in May 2023, prompted by the prior manager's resignation during a pivotal phase of the audit due to health-related concerns.

The Board also aims to underline that, despite the team offering full cooperation to the Auditor during the audit process, they generally required a longer response time to meet the Auditor's requisites. This delay was a direct consequence of the Group's FY22 disclaimer of opinion, prompting the Auditor to elevate their audit procedures and documentation verification.

## **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 underscores that the challenges faced by the Auditor, as mentioned above, primarily stem from the carrying amount and opening balances as at April 1, 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.

Additionally, reference is made to the announcement of October 30, 2023, regarding the proposed creditors' voluntary liquidation of the joint venture companies ("**JVC**") and the appointment of provisional liquidators due to the inability of the JVC to sustain regular business operations owing to their liabilities.

Subsequently, on 5 April 2024, the Court granted an order of winding up applications and the Liquidators were appointed. The Group intends to provide further updates and announcements to shareholders as necessary in light of any material developments.

## 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.

Additionally, reference is made to the announcement of 30 October 2023, regarding the proposed creditors' voluntary liquidation of the JVC and the appointment of provisional liquidators due to the inability of the JVC to sustain regular business operations owing to their liabilities.

Subsequently, on 5 April 2024, the Court granted an order of winding up applications and the Liquidators were appointed. The Group intends to provide further updates and announcements to shareholders as necessary in light of any material developments.

## 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 aforementioned concerns also pertain to the joint venture with Vintage. Due to the JVC's persistent inability to meet its financial obligations in a timely manner, the Group has opted to refrain from further capital allocation in line with its commitment to safeguard its financial stability and allocate resources judiciously. As a result of this situation, burdened by their liabilities, the JVC is unable to sustain business operations; therefore, the sole director has decided to initiate provisional liquidation proceedings pending their eventual liquidation.

Subsequently, on 5 April 2024, the Court granted an order of winding up applications and the Liquidators were appointed. The Group intends to provide further updates and announcements to shareholders as necessary in light of any material developments.

## **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.

### Efforts taken by the Company to resolve the issue:

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 sales, current economic and technological trends, forecasted sales, demand requirements, product life cycle, quality issues and current inventory levels.

The finance team and key management will collaborate closely with the Auditor's guidance to prioritise procedures and implement digital inventory systems and/or workflows for costing, stock-taking, 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

### Efforts taken by the Company to resolve the issue:

The Board wishes to highlight that the above concerns also pertain to the joint venture with Vintage. Due to the JVC's persistent inability to meet its financial obligations in a timely manner, the Group has opted to refrain from further capital allocation in line with its commitment to safeguard its financial stability and allocate resources judiciously. As a result of this situation, burdened by their liabilities, the JVC is unable to sustain business operations; therefore, the sole director has decided to initiate provisional liquidation proceedings pending their eventual liquidation.

Subsequently, on 5 April 2024, the Court granted an order of winding up applications and the Liquidators were appointed. The Group intends to provide further updates and announcements to shareholders as necessary in light of any material developments.

## 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 Company would like to highlight that the aforementioned issue has been resolved. The finance team and key management are committed to prioritising the timely receipt of bank confirmations during the upcoming audit cycle.

## 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 finance team and key management have already prioritised and implemented measures to strengthen the documentation process. They are enhancing digital document retention for payable invoices, procedures, and workflows 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.

The finance team and key management have already placed significant focus on enhancing the sales documentation process. They are working on digitalising document retention for sales invoices and other transactional records, like treatment cards, to showcase occurrences, procedures, and workflows, following a monthly and quarterly schedule.

## **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:

The current finance team and key management have already made a significant effort to fortify the digital documentation of commission expenses. This aims to illustrate the occurrences, 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:

The finance team and key management have already made a significant push to implement and strengthen digital documentation for related party transactions. This effort is aimed at illustrating the occurrences, 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 emphasises the Group's recognition of the significance of adhering to tax laws and regulations while upholding transparency in financial reporting. We take the implications of tax matters seriously and are dedicated to addressing any necessary

adjustments. Should our review mandate adjustments, we are committed to promptly revising our financial statements or relevant documents. These changes will accurately depict any revised or corrected information, ensuring our income taxes are adjusted correctly. Timely and precise tax reporting is a priority, and we are committed to managing any adjustments essential for compliance 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 on 27 December 2023, the controlling shareholder pledged ongoing financial support to the Group and the Company for the subsequent 12 months. This commitment includes refraining from demanding immediate payments for amounts owed by the Group and the Company, ensuring their ability to function as a going concern.

In the meantime, the Company is exploring various options, including potential strategies such as (i) converting shareholder loans/payables into equity shares for recapitalisation, (ii) considering rights issue or share placement to secure additional working capital, and/or (iii) potentially seeking a shareholder loan from the corporate shareholder.

Additionally, the Group has presented cash flow forecasts and underlying assumptions to the Board for evaluation and assessment. Efforts are directed toward realising these forecasts to generate positive cash flows from current operations, enabling the settlement of current liabilities as they become 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 12 months for the financial period ended 31 March 2024 ("FY24") amounted to \$6.3 million, a decrease of \$2.4 million as compared to \$8.7 million for the 12 months ended 31 March 2023 ("FY23"). For the 6 months financial period ended 31 March 2024 ("2HFY24"), revenue amounted to \$3.5 million, a decrease of \$0.5 million compared to \$4.0 million for the 6 months financial period ended 31 March 2023 ("2HFY23"). This was mainly due to the following:

- (i) Disposal of shareholding in four subsidiaries under the Monsoon Hairdressing Group. Excluding the revenue under the Hairdressing segment, the revenue recorded by the Group decreased by \$2.4 million from \$8.7 million in FY23 to \$6.3 million in FY24 and decreased by \$0.5 million from \$4.0 million in 2HFY23 to \$3.5 million in 2HFY24; and
- (ii) Notwithstanding the relocation of an outlet in Singapore, leading to a temporary hiatus of business at the outlet and also the lease termination of an outlet due to a higher rental lease offer that the Company did not accept, the revenue from the beauty, slimming, and spa treatment services still managed to remain consistent by approximately \$6.2 million in FY24 and \$6.1 million in FY23.

Other operating income decreased by \$0.6 million from \$1.1 million in FY23 to \$0.5 million in FY24 and decreased by \$0.8 million from \$0.9 million in 2HFY23 to \$0.1 million in 2HFY24. The decrease was mainly due to the various Government support measures.

Purchases and related costs (including changes in inventories) decreased by \$0.3 million from \$0.6 million in FY23 to \$0.3 million in FY24 and decreased by \$0.4 million from \$0.5 million in 2HFY23 to \$0.1 million in 2HFY24.

Depreciation of plant and equipment decreased by \$85,000 in FY24 and by \$47,000 in 2HFY24.

Depreciation of right-of-use assets and operating lease expenses on a combined basis decreased by \$1.3 million in FY24 and \$0.7 million in 2HFY24, mainly attributable to the lease termination of an outlet.

Staff costs increased by \$1.6 million in FY24 and \$0.6 million in 2HFY24, mainly due to lower commission payouts due to lower revenue.

As a result of the above factors, the Group reported a net loss of \$2.0 million in FY24, compared to a net loss of \$1.0 million in FY23 and a net loss of \$1.1 million in 2HFY24, compared to a net loss of \$0.4 million in 2HFY23.

#### b. Statement of Financial Position

##### Current and non-current assets

The Group's non-current assets decreased by approximately \$1.8 million, mainly due to the following:

- (i) disposal of right-of-use amounting to \$0.5 million; and
- (ii) disposal of investment in joint ventures amounting to \$1.4 million.



The Group's current assets decreased by \$1.9 million mainly due to the following:

- (i) decrease in cash and cash equivalents of approximately \$1.6 million, as explained under the statement of cash flows in paragraph (c) below.

#### Current and non-current liabilities

The net increase in the Group's current and non-current liabilities by \$0.9 million was mainly due to the following:

- (i) an increase in trade and other payables of \$1.7 million due to the purchase of plant and equipment and additional operating expenses.

#### Equity

The Group recorded a negative working capital of \$11.1 million and a negative equity of \$10.2 million as at 31 March 2024.

As at 31 March 2024, the Company's current liabilities exceeded its current assets by \$5.4 million, and the Company had a deficit in equity of \$5.4 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**

The Group's net cash generated from operating activities for the financial period ended 31 March 2024 of approximately \$0.7 million comprised mainly of the following:

- (i) Operating loss of \$2.0 million, depreciation of plant and equipment and depreciation of right-of-use assets of \$1.3 million;
- (ii) Decrease in a change in trade and other receivables of \$0.4 million arising from receivables collections; and
- (iii) Increase in a change in trade and other payables of \$1.9 million arising from other accruals.

The Group's net cash used in investing activities for the financial period ended 31 March 2024 of \$1.5 million mainly due to the following:

- (i) Purchase of plant and equipment of \$0.4 million, which was mainly related to the renovation of a new outlet; and
- (ii) Addition of right-of-use assets of \$0.6 million, which was mainly related to the lease of a new outlet.

The Group's net cash used in financing activities for the financial period ended 31 March 2024 of \$0.3 million was mainly due to:

- (i) Proceeds from borrowings of \$0.8 million; and
- (ii) Repayment of lease liabilities and borrowings of \$1.1 million.

As a result of the above, the total cash and cash equivalents used in FY24 were approximately \$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.**

The Group anticipates a challenging period influenced by several factors. These include uncertainties in consumer spending due to persistent high interest rates stemming from inflationary pressures. Additionally, economic activities are impacted by ongoing geopolitical tensions in Eastern Europe, the US-China relationship, and recent conflicts like the Israel-Hamas war, which could potentially escalate in the Middle East and beyond, affecting consumer confidence in the Southeast Asia retail and service markets where the Group operates hence leading to more conservative consumption behaviour.

Aligned with the Group's business transformation strategy, efforts are underway to streamline operations by consolidating business units and segments. This aims to enhance cost-efficiency and increase brand awareness. The Board is actively considering various strategies, such as fundraising, acquiring suitable businesses, and restructuring existing assets while maintaining a focus on pragmatic cash flow management.

The implementation of the Group's inorganic growth strategy is expected to incur professional fees for services like assessing M&A targets, managing corporate actions, and safeguarding the Group's intellectual properties in overseas markets. Additionally, the management is exploring R&D investments in next-generation skincare and wellness products for future innovative launches.

On 2 April 2024, the Group entered into a non-binding memorandum of understanding with Hong Choi International Limited ("HCI") to establish a basis of cooperation and collaboration in the sales and marketing of selling energy capsules and medical beauty products in Singapore, Hong Kong and Southeast Asia. Subsequently, on 19 April 2024, the Group and/or its nominated/designated subsidiary entered into a binding term sheet with HCI to incorporate a company in Hong Kong for the strategic collaboration to carry out the business in the sales and marketing of selling energy capsules and medical/non-medical beauty products in Singapore, Hong Kong and Macau.

Concurrently, the Group have also launched its new Anti-Aging Skin Care Product, JUVE, by Organica International Holdings Pte Ltd (a wholly-owned subsidiary "Organica") in Singapore, Taiwan and Malaysia from March 2024 as a Direct Selling venue. In May 2024, Organica management successfully attained the Taiwan direct selling licence and collaborated with the Taiwan direct selling team to start generating sales for the Group.

As the Group re-emphasises its core beauty and wellness business for scale and complexity growth, there is an anticipation of increased frontline hiring, leading to higher staff costs. This, combined with elevated expenses such as marketing fees, brand awareness fees, and costs related to new openings, relocations, or refurbishments of outlets, is expected to result in higher administrative expenses in the upcoming periods.

## 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 FY24 in view of the Group's financial position as at 31 March 2024 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 <sup>1</sup> (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").	0.162	-
Suki Sushi Pte Ltd <sup>2</sup> (Other operating income)	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.	0.030	-

Note:

1. For more details, kindly refer to the Company's announcement dated 29 January 2021.

2. The Company has received a service fee from Suki Sushi Pte Ltd ("Suki") in consideration of processing a payment on behalf of Suki.

The Company intends to convene an Extraordinary General Meeting ("EGM") during the current financial year ("FY2024") to address the aforementioned transactions and seek approval for an IPT general mandate subject to the advice of an Independent Financial Advisor.

**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 Catalyst 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 Catalyst 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 Catalyst 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	<ul style="list-style-type: none"> <li>Wholesale of Cosmetics and Toiletries; and</li> <li>Management Consultancy Services (General)</li> </ul>	200 ordinary shares
2	M Nature Pte. Ltd.	SGD200,000 comprising 200,000 ordinary shares	<ul style="list-style-type: none"> <li>Hairdressing Salons/Shops (Including Barber Shops)</li> </ul>	40,000 ordinary shares
3	M Plus Hair Pte. Ltd.	SGD100,000 comprising 100,000 ordinary shares	<ul style="list-style-type: none"> <li>Beauty and Other Personal Care Services N.E.C – Skin Care, Beauty and Hair Care Products; and</li> <li>Hairdressing Salons/Shops (Including Barber Shops) – Hair Salon</li> </ul>	20,000 ordinary shares
4	Monsoon Hair House Pte. Ltd.	SGD60,000 comprising 60,000 ordinary shares	<ul style="list-style-type: none"> <li>Beauty Salons and Spas (Including Slimming, Skin Care and Hair Care Centres) – Hairdressing, Hair Styling and Hair Treatment</li> </ul>	12,000 ordinary shares
5	Starting Line Trading Pte. Ltd.	SGD10,000 comprising 10,000 Ordinary Shares	<ul style="list-style-type: none"> <li>Wholesale Trade of a Variety of Goods Without a Dominant Product</li> </ul>	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  
30 May 2024

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.