MARY CHIA HOLDINGS LIMITED

ANNUAL REPORT

2019

Mary Chia Holdings Limited ("MCH" and together with its subsidiaries, the "Group") is one of Singapore's leading lifestyle and wellness service providers. Listed on the SGX-ST Catalist on 11 August 2009, MCH has wellness centres under the "Mary Chia" (for women), "Urban Homme" (for men), "GO60" (for professionals, managers, executives and businessmen ("PMEBs"), "Masego" (for families), "Huang Ah Ma" (for tourists and PMEBs), "LPG Endermospa" (for PMEBs), "Organica" (for direct selling), "Scinn Medical Centre" and "MCU Beautitudes" (for medical aesthetics) brands.

The Group's core services can be broadly categorized into (i) beauty and facial services; (ii) slimming services; (iii) spa and massage services; and (iv) investment holding. Its ancillary business is in the sale of lifestyle and wellness products under the "MU" brand at its lifestyle and wellness centres, as well as the distribution of "Organica" range of products through its direct selling network.

MCH has also achieved the prestigious ISO 9001:2008 certification and was awarded with Singapore Prestige Brand Award in 2005, Superbrands – Singapore's Choice in 2004/2005 and 2009 respectively, and was awarded one of the Top 3 Wellness Providers by AsiaOne's readers in 2010. In 2014, the Group was also proud to be presented the Singapore Service Class by Spring Singapore in recognition of the Group's commendable performance in service excellence. In 2016, Mary Chia was awarded the ASEAN Outstanding Business Award – Master Class Award in Beauty and Slimming Industry Development.

OUR PROFILE

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg)

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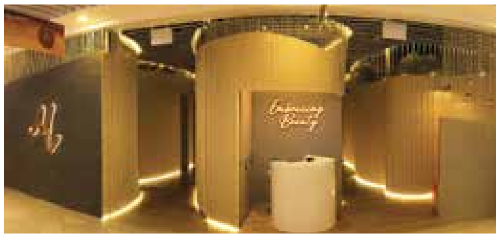
Mary Chia Beauty & Slimming Specialist Pte Ltd is a homegrown and leading beauty and wellness spa brand with professional expertise in providing premium and quality skincare and physique management services for women.

Mary Chia was and continues to be a pioneering force for developing and professionalising the lifestyle and wellness industry by raising the quality and safety standards of service with trained specialists, state-of-art equipment and lab-tested products, all combined with its unique brand of warm and personal customer relationships.

In addition, its marketing efforts have raised beauty and slimming wellness to be a healthy and aspirational state among the general public consciousness. The brand continues to innovate and is going through robust rebranding exercise for brand rejuvenation. In January 2019, we have opened a brand new branch in Our Tampines Hub, offering a brand new outlet ambience with more advanced suite of skincare and physique management technologies. The outlet ambiences for Jurong Point and Goldhill Centre branches were also refreshed in March and June 2019 respectively.

The Group is channeling great Corporate Social Responsibility (CSR) efforts for the brand over the years. In October 2018, the Mary Chia team was proud to participate in this heart-warming charity lunch event '温情满人间 Lunch with Love' hosted by Gao Lin Gong Temple. The idea started 4 years ago, where a team of volunteers from Gao Lin Gong Temple noticed the plight of the abandoned elderly folks during their impromptu voluntary food distribution to several HDB rental & 2-room flats. Many of the elderly folks live in hardship and loneliness are relying on support by social workers and volunteers. '温情满人间 Lunch with Love' is a meaningful day where 1000 elderly folks are invited for a sumptuous lunch with stage entertainment, game booths and many other fun-filled activities.



We have also organised roadshows in high-traffic malls to tie-in with CSR efforts. In November 2018, we partnered with BloomBack on a Christmas festive roadshow in Parkway Parade. BloomBack is a social enterprise which helps with the training and hiring of marginalised women in Singapore. Each purchase at BloomBack contributes to nurturing individuals in the marginalised community, providing them employment and holistic training in skills related to floristry, sales, marketing and technology.

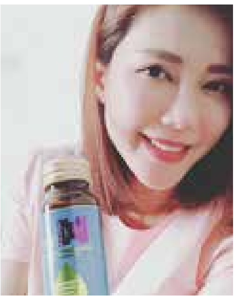
URBAN HOMME

be your own man

Urban Homme Face and Body Studio for Men has established itself as a pioneer brand in Singapore specializing in professional skincare and physique management services developed for men. The brand offers a full spectrum of clinically tested and proven skincare and weight management programmes. The best testimony of Urban Homme's expertise lies in the successful real-life transformations from our customers, who have personally experienced our face and physique management programmes.

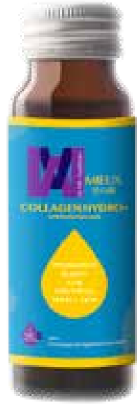
Mu

Skincare • Body Care • Nutrition+



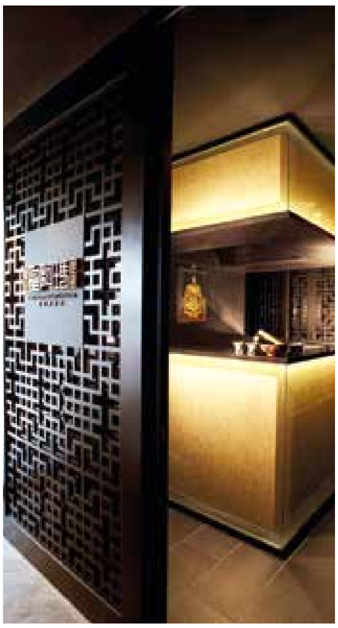
MU is a revolutionary product line exclusively developed by Mary Chia Group. Aimed to combat ageing and reverse its effects, this comprehensive range comprises nutritional dietary supplements as well as skincare and body care products.

In 2019, we have enhanced the formula for MU MIEUX Collagen with Hyaluronic Acid. The new MU MIEUX Collagen Hydro+ includes additional benefit of hydration booster for the skin. MU Ambassadors Li Nan Xing and Constance Song consume a bottle of MU MIEUX Collagen Hydro+ daily and it is suitable for busy individuals who are always on the go.



Masego The Safari Spa is Singapore's first and largest safari-themed spa situated in SAFRA Jurong. The 6,500 sq ft spa houses 14 safari tents as treatment rooms, and can be used for holding corporate events and private functions. Masego Spa specializes in holistic massages and facials for their guests.

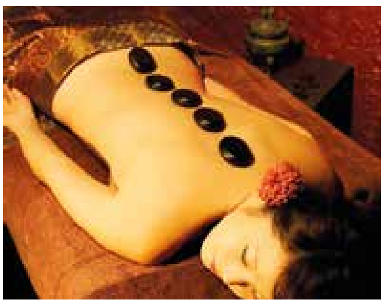
MASEGO
THE SAFARI SPA



皇阿瑪
THE ORIENTAL SPA CHAMBER
时 尚 养 身 馆

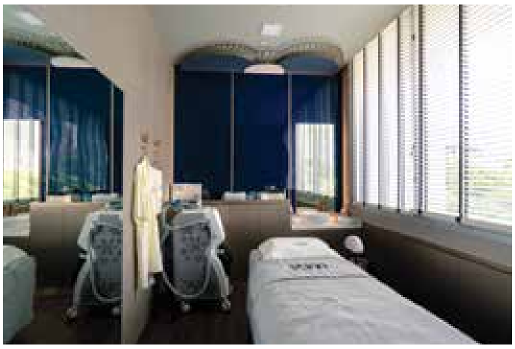
Huang Ah Ma, a hotel spa situated within Porcelain Hotel along Chinatown in Singapore. Decorated in an oriental setting within the heart of the city, the hotel spa offers a relaxing haven catering to the needs of tourists and locals.

In 2014, Huang Ah Ma has also launched the Maternity Spa, offering pre and post natal massage and recuperation therapies.



scinn
Medical Centre

Scinn Medical Centre is the synthesis of bespoke medical aesthetics and beauty therapies, guided by professional medical expertise to help its clients attain and achievable beauty ideal. Employing the latest in FDA-proven technologies, Scinn is focused on providing each client with a 360-degree experience to a better complexion and body shape. Scinn has recently relocated to a new 2,300 sq ft facility at TripleOne Somerset. An official opening was held on 28 June 2019.



New technologies have been invested to provide a wider spectrum of services available at Scinn. Technologies include HIFU Skin Tightening and Carbon Laser Skin Purifying.

Scinn's resident doctor, Dr Hoe Ying Min is extremely passionate about beauty and uses her medical knowledge to advise patients on the best skincare and non-invasive medical aesthetic treatments to create a natural, beautiful, better versions of her patients. Dr Hoe graduated with a Bachelor of Medicine and Bachelor of Surgery degree (MBBS) at the National University of Singapore. She also holds a graduate diploma in aesthetic medicine with the American Academy of Aesthetic Medicine (AAAM) and is certified by the Ministry of Health's accredited bodies under the Singapore Medical Council's Aesthetics Dermatology Education Group for various aesthetics procedures.

Dr scinn Aesthetics

Dr Scinn Aesthetics is the latest addition to the Mary Chia Group, catering to the young, modern and beauty-savvy individuals. The medispa offers treatments employing non-invasive and non-surgical procedures for different skin and body types.

Dr Scinn Aesthetics is one of the first 5 centres in Singapore to launch the Venus Versa, a versatile, multi-application platform for non-invasive aesthetic procedures, including photorejuvenation/ photofacial, hair removal and skin resurfacing.

Other procedures include chemical peel, face lifting, fat reduction, pigmentation removal and underarms whitening.

MCU CLINIC
· PERFECTION IS AN ATTITUDE ·

With our flagship clinic located at Sunway Pyramid, adjacent to our Mary Chia Sunway Pyramid outlet, the medical aesthetics centre is well-poised to address the demand for high quality, medically proven aesthetics services demanded by both consumers residing in Kuala Lumpur, Malaysia as well as tourists and business travellers visiting this popular tourist destination in the Klang Valley.

欧佳丽卡 ORGANICA

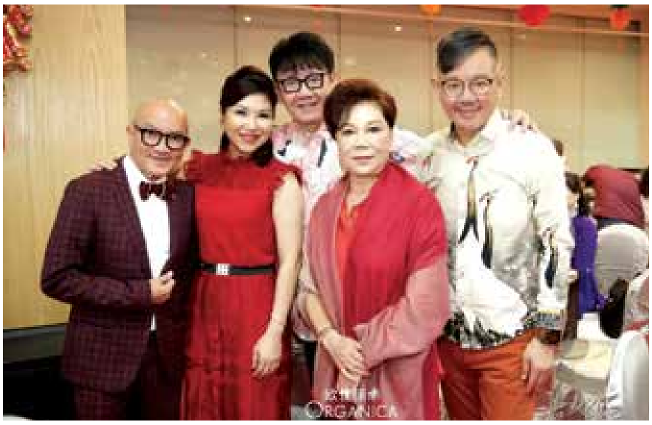
Established in year 2015, Organica International is a direct selling company that distributes premium nutrition and skincare products created for Asians, by Asians. Organica is a wholly owned subsidiary by the Group.

Each of our products is made from natural ingredients sourced from the best growing regions of the world, and are tailored for Asians in an innovative way. It is a sophisticated form of art that brings back simple goodness from Mother Nature.

Prepé Mousse Face Cleanser is the latest product developed by Organica in year 2019. Prepé uses an exclusive formulation from Korean laboratories and selects only natural plant extracts to nourish skin of all age groups. Incorporating Science, this 2-in-1 facial cleanser also acts as a make-up

remover to thoroughly cleanse and remove excess sebum.

In June 2018, Organica was awarded the prestigious Lifetime Membership from The World Direct Selling Brand Festival Committee. The ceremony was held in Wuhan, China with many notable leaders in the direct selling industry. In addition, Organica was officially appointed a member of Direct Selling Association of Singapore (DSAS) in October 2018, for full compliance of ethics and code of conduct for direct selling.

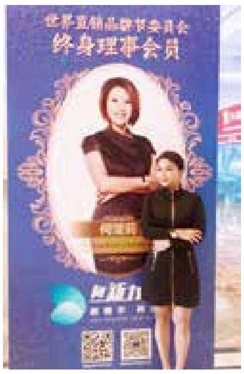


Organica has received great reception since its launch in both Singapore and Malaysia. Regular marketing network sessions are organised to reach out to members and new prospects. Training programmes are also organised with experienced speakers from Taiwan and China to enhance on our members skillset.

In October 2018, an incentive trip to Taiwan was organised for key members from Singapore and Malaysia, where they also get to officiate the inaugural launch of Organica's branch office in Taipei, Taiwan. A year-end concert with local celebrity Hao Hao was held in December 2018 and received resounding response from members and prospects.

In January 2019, we organised a Lunar New Year luncheon of over 170 pax for all members and their family members. Famous music producers, Lee Wei Song and Lee Si Song, graced the luncheon. In mid July 2019, Organica is registered under the Taiwan Fair Trade Commission (TFTC). We are slated to officially start our operations by end July 2019.

The Group will continue to endeavour and develop new and innovative range of products to excite our members.



FINANCIAL AND OPERATIONS REVIEW

FINANCIAL PERFORMANCE

The Group recorded revenue of S$8.9 million for the financial year ended 31 March 2019 ("**FY2019**"), a decrease of S$0.2 million or 2.2% from S$9.1 million for the corresponding previous financial year ("**FY2018**") mainly from the loss of S$1.6 million in rental income on the 48, 49 and 50 Mosque Street (the "**Property**") arising from the sale of the Property in March 2018. However, the decrease in revenue was partially offset largely by an increase of S$1.4 million from the sale of lifestyle and wellness products as well as the direct selling of JUVE Daily Essence and Cordyzymes Supreme Essence, house brands of Organica International Holdings Pte. Ltd. ("**Organica**"), a fully owned subsidiary of the Company. In addition, traditional segments such as beauty, slimming and spa treatment for men and women experienced a marginal increase in revenue.

Other operating income increased by S$4.7 million from S$0.4 million in FY2018 to S$5.1 million in FY2019 mainly due to the recognition of the one-time gain of S$4.8 million on the disposal of the Property, offset with decrease in certain other income. As announced on 1 March 2018, Hotel Culture Pte. Ltd., a 51% owned subsidiary of the Company, entered into sales and purchase agreement to dispose the Property at a sales price of S$64.8 million to JL Asia Resources Pte. Ltd.. As at 31 March 2018, the Property previously recognized as investment property (recorded at approximately S$57.0 million) and leasehold property (recorded at approximately S$2.9 million) were reclassified as assets held for sale as per financial accounting standards and stated at S$59.9 million. Following the transfer of property title with the Singapore Land Authority on 7 May 2018, at a sales price of S$64.8 million, the Group recognized a gain on disposal of the Property of approximately S$4.8 million in FY2019.

Purchases and related cost and changes in inventories have in totality increased by S$0.2 million from S$0.4 million in FY2018 to S$0.6 million in FY2019 which was in line with increased sales of Organica products as well as higher advertising and promotion expenses. Staff and staff related costs increased by S$0.1 million or 1.7% from S$5.8 million in FY2018 to S$5.9 million in FY2019, mainly due to the increase in hiring of both HQ and operational staff and higher commission expenses.

Operating lease expenses decreased by S$0.9 million or 25.7% from S$3.5 million in FY2018 to S$2.6 million in FY2019, mainly due to lower number of outlets in Singapore.

Other operating expenses increased by S$0.7 million or 18.4% from S$3.8 million in FY2018 to S$4.5 million in FY2019, largely due to the S$0.4 million increase in member incentives.

The Group's finance costs decreased by S$0.9 million or 90.0% from S$1.0 million in FY2018 to S$0.1 million in FY2019 mainly due to the changes in fair value on amount due to a former director and lower loans interest expense.

As a result of the above factors, the Group reported a net loss of S$0.2 million in FY2019, as compared to a net loss of S$5.6 million in FY2018.

STATEMENT OF FINANCIAL POSITION

Property, plant and equipment increased by S$0.5 million from S$0.7 million as at 31 March 2018 to S$1.2 million as at 31 March 2019 mainly due to renovations, outlets refurbishments and purchases of equipment.

Other assets (current and non-current) increased by S$0.2 million from S$1.2 million as at 31 March 2018 to S$1.4 million as at 31 March 2019 mainly due to an increase in deposits in relation to entering into new outlet leases.

Assets held for sale decreased from S$59.9 million as at 31 March 2018 to nil as at 31 March 2019 due to the completion of the sale of the Property on 7 May 2018.

Cash and cash equivalents increased by S$3.4 million from S$0.7 million as at 31 March 2018 to S$4.1 million as at 31 March 2019 largely due to net proceeds from disposal of the Property which was completed on 7 May 2018.

Total borrowings (current and non-current) decreased to S$0.2 million as at 31 March 2019 from S$29.2 million as at 31 March 2018 mainly due to the repayment of bank borrowings of S$28.9 million relating to the disposal of the Property.

Trade and other payables decreased by S$22.0 million from S$29.6 million as at 31 March 2018 to S$7.6 million as at 31 March 2019 mainly due to the payment of S$20.6 million of dividends to a non-controlling interest and the absence of the deposit for sale of property in the current year.

The Group had a working capital deficit of S$4.1 million. The equity attributable to owners of the Company increased from negative S$1.1 million as at 31 March 2018 to negative S$4.8 million as at 31 March 2019, due to continued losses from operations as well as MCH's restructuring and rebranding costs incurred with the intention to return to profitability. The Board is of the view that that the Group will be able to continue as a going concern given the ongoing efforts at managing operating costs and rebranding efforts as well as the undertaking given by the controlling shareholder to provide financial support for the next 12 months.

STATEMENT OF CASH FLOWS

Net cash outflow from operating activities in FY2019 of S$29.1 million was mainly due to the operating losses of S$4.2 million and a decrease in trade and other payables of S$24.3 million.

The Group had a net cash inflow of S$63.4 million from investing activities in FY2019 largely due to the sale proceeds of the Property of S$64.8 million.

The Group's net cash outflow from financing activities of S$31.4 million in FY2019 was mainly due to repayment of bank borrowings of S$29.0 million.

MESSAGE FROM THE CEO

DEAR FELLOW SHAREHOLDERS,

FY2019 proved to be a significant year for the Group with many positive changes in place. The measures and efforts over the past 3 years have begun to bear fruit. This together with the cash takeover by Suki Group our new controlling shareholder, have lead to tangible efforts to improve the financial performance of MCH.

Moreover, the disposal of the hotel properties at 48, 49 and 50 Mosque Street ("Properties") which was completed on 7 May 2018, resulted in the Group registering a gain on disposal of investment property of S$4.8 million.

The Group's direct selling arm of JUVE Daily Essence and Cordyzymes Supreme Essence, signature products of Organica International Holdings Pte. Ltd. ("Organica"), a fully owned subsidiary of the Company, achieved a more than S$0.8 million increase in revenue to approximately S$1.5 million in FY19.

Despite the challenging operating and economic environment for beauty and wellness in Singapore with increasing operating costs and continued tight labour market, financially, the Group registered a lower loss after tax for the financial year ended 31 March 2019. Group loss after tax for FY2019 was S$202,000, a decrease from S$5,562,000 for FY2018 and a decrease from S$6,412,000 for FY2017. The Group also registered a lower loss attributable to equity holders of the Company of S$2,904,000 in FY2019, a decrease from S$5,965,000 for FY2018 and a decrease from S$6,199,000 for FY2017.

I am heartened by the continued pockets of opportunities in the extremely competitive beauty and wellness landscape in Singapore and Malaysia. Our rebranding exercise to refresh the 40 year old brand name is taking shape. I am proud to announce that we have opened a brand new outlet in Our Tampines Hub, and we have recently changed and completed our outlet interior renovation at both Jurong Point and Goldhill Centre branches for a refreshed overall customer's experience. This will keep the brand continuously fresh and strengthen market positioning with new millennials, while not forsaking our community of loyal customers.

> "The Group is undergoing a rebranding exercise to keep the brand continuously fresh and strengthen market positioning with new millennials while not forsaking traditional and loyal customers."
>
> *Mary Chia Holdings CEO, Wendy Ho*
> *Business Times dated 31 May 2019*

Mary Chia has, in recent years, continued to deepen the brand's expertise in multiple dimensions, incorporating latest technologies and scientifically innovated products to enhance overall efficacy. All this is expected to help the brand regain upward revenue momentum. In a marketplace where extreme customisation & personal preferences are indulged & available, Mary Chia will take the industry lead with a customer experience that is both relational & memorable.

The Group has also launched Dr Scinn Aesthetics in June this year. Dr Scinn Aesthetics is our first one-stop medispa concept under Scinn Pte Ltd to provide non-invasive, safe and effective treatments across various beauty considerations. Both Scinn Medical Centre and Dr Scinn Aesthetics are now located at the sprawnling, new 2300 sq ft facility at TripleOne Somerset.

I am equally excited about the prospects of Organica. With almost the doubling the revenue, the Group has announced previously of it's intention and action to build inroads into the direct selling market in Taiwan. The Group expects sales to start soon and that Taiwan has the potential to be the source of revenue growth for the Group.

The Group will continue the legacy of discovering individuals' unique beauty and health with modern facial treatments and weight management products and programmes.

My heartfelt gratitude to all our loyal customers, staff, business partners and stakeholders. I look forward to your continuous support as the team continues to strive and bring the Group to greater heights. Thank you.

Yours faithfully,

WENDY HO
Chief Executive Officer

BOARD OF DIRECTORS

WENDY HO
Chief Executive Officer

First appointment: 30 April 2009
Last re-election: 2 October 2017

Ms Wendy Ho is the Chief Executive Officer ("CEO") of the Group. She has been the CEO of Mary Chia Beauty & Slimming Specialists Pte Ltd ("MCBSS") since August 2003 and an executive director of MCBSS since its incorporation in 1994. She is responsible for the daily management and operations of the Group and directs the Group's overall strategy and growth. She has more than 20 years of experience in the lifestyle and wellness industry and was awarded the Entrepreneur of the Year Awards organised by Rotary-ASME in 2004.

Ms Wendy Ho was conferred an Advanced Certificate in Training and Assessment (Facilitated Training), professionally accredited by Singapore Workforce Development Agency in August 2015. She holds a Diploma in Aesthetic Treatments from the Confederation of International Beauty Therapy and Cosmetology ("CIBTAC") and a Certificate from Singtrain Academy in Infant & Child massage/ tuina which is a accredited by CIBTAC. She attended several courses which includes the "Comprehensive Course incorporating Medical Beauty, Face Lifting and Cosmetic Acupuncture" organised by the International Medical Beauty Research Association and the "Beauty (Theories & Techniques) Course" organised by the S.E. Asia (International) Beauty & Hair Research Association in 1989.

YEUNG KOON SANG @ DAVID YEUNG
Lead Independent Director
Non Executive Chairman

First appointment: 11 June 2009
Last re-election: 28 September 2018

Mr David Yeung is the Chairman of the Audit Committee, the Chairman of the Remuneration Committee, and a member of the Nominating Committee. Mr David Yeung was appointed Non-Executive Chairman of the Board on 10 September 2018 and was re-elected on 28 September 2018.

Mr David Yeung is a director of Kreston David Yeung PAC, a company providing auditing, accounting and tax services, which he founded in 1987. He has more than 30 years of experience in public accounting with previous employments in Deloitte & Touche, UK and Ernst & Young, Singapore. He holds a Master of Social Science (Accounting) degree from the University of Birmingham, England. He is a Fellow of the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants, United Kingdom.

He is an independent director of SGX-ST listed companies, CITIC Envirotech Limited, CNA Group Ltd, AEI Corporate Limited and Southern Packaging Group Co Limited. He was a council member of the National Council of Social Services, Chairman of School Advisory Committee on Ang Mo Kio Secondary School and an Honorary Treasurer of the Radin Mas Citizens' Consultative Committee. He was conferred the Public Service Medal by the President of the Republic of Singapore in 2001.

PAO KIEW TEE
Independent Director

First appointment: 10 December 2012
Last re-election: 28 July 2015

Mr Pao Kiew Tee is the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. He was appointed as our Independent Director on 10 December 2012 and was last re-elected on 28 September 2018.

Mr Pao Kiew Tee was a senior government auditor. The last post he held before his retirement in July 2016 after serving the Civil Service for 37 years was Senior Group Director. As a senior government auditor, he was overall in charge of a group responsible for carrying out financial statements and operation audits of government ministries and statutory boards. Prior to joining the Singapore Government, he was with two accounting firms in New Zealand between October 1976 and September 1978. From March 1975 to September 1976, he worked as an analyst for the Commercial Bank of Australia in New Zealand.

He is an independent director of SGX-ST listed companies, Wong Fong Industries Limited, New Silkroutes Group Limited and Boldtek Holdings Limited. He is also a Trustee of the Serangoon Gardens Country Club and a member of the Audit Committee of the Seletar Country Club. He is also active in various grassroots organisations. He holds a Bachelor of Commerce (Accounting) degree from the University of Otago, Dunedin, New Zealand in 1974, and is a fellow of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors.

BOARD OF DIRECTORS

SIM ENG HUAT
Independent Director

First appointment: 1 February 2019

Mr Sim Eng Huat was appointed as an Independent Director of the Company on 1 February 2019. He was appointed as a member of the Audit Committee, a member of the Nominating Committee and a member of the Remuneration Committee.

Mr Sim started his career in 1977 with the Singapore Civil Service where he has spent a total of 18 years, during which he had served six years in Hong Kong and three years in Bangkok as a diplomat. In 1994, he entered into the private sector by joining Suntec Investment Group of Companies ("SIPL") in Singapore. In addition to fulfilling the role of Chief Operating Officer of SIPL, Mr Sim was the Managing Director of Chesterton Suntec International Property Consultants from 1997 to 2013. He had been an Honorary Advisor to the Real Estate Developers Association of Singapore from 2005 to 2013 and a member of the Singapore Institute of Directors since its founding in January 2000.

Mr Sim is an Independent Director and the Chairman of the nominating committee of Lafe Corporation Ltd, a company listed on Main Board of SGX-ST. Mr Sim is also the Chairman of the nominating and remuneration committee of Metech International Ltd and an Independent Director and Chairman of the nominating committee of SK Jewellery Group Holdings Ltd, both of which are listed on the Catalist of the SGX-ST.

KEY MANAGEMENT

SIMON OOI SEE KENG
Managing Director
(MCU Holdings Sdn. Bhd. and MCU Beautitudes Sdn. Bhd.)

Mr Simon Ooi joined the Group in May 2009. He is the Managing Director overseeing our beauty and spa businesses operations in Malaysia. Prior to joining the Group, he worked in HerbaLine Beauty Group as an executive and marketing director from 2007 to 2009. From 2006 to 2007, he was the general manager of LuXOR Beauty Word Sdn Bhd and prior to that, he was the marketing and operation manager of Adonis Beauty Group for 7 years from 2000 to 2006.

Mr Simon Ooi is a professional advisor in beauty and slimming nutrition, a columnist in the beauty and slimming columns of various newspapers and magazines and starred as a specialist guest on Ai FM radio channel, 8TV channel, NTV7 channel on health and beauty programs in Malaysia. He holds a Bachelor of Science degree from National Taiwan University. He also received Public Speaking certification from the accredited Malaysian Speakers' Association.

NG YUI WEI
Chief Financial Officer

Mr Ng Yui Wei was appointed Chief Financial Officer in April 2019 and is responsible for the Group's statutory financial accounts, consolidation and financial reporting to the SGX-ST and overall financial and accounting management of the Group.

Mr Ng has more than 18 years of experience in finance and accounting in various industries/organisations and held several financial roles, which included overseeing the finance and accounting function of SGX listed companies. Mr Ng holds a Bachelor Degree (Hons) in Business Economics and a Master's Degree in Professional Accounting. He is a member of the Institute of Singapore Chartered Accountants, a member of CPA Australia and a certified internal auditor of the Institute of Internal Auditors.

FINANCIAL CONTENTS

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of Mary Chia Holdings Limited (the "**Company**" and together with its subsidiaries, the "Group") is committed to maintaining high standards of corporate governance. Good corporate governance provides the framework for an ethical and accountable corporate environment, which will protect the interests of the Company's shareholders and promote investors' confidence. This report outlines the Company's corporate governance practices and structures in the financial year ended 31 March 2019 ("**FY2019**"), with specific reference made to each of the principles of the Code of Corporate Governance 2012 (the "**Code**") and the disclosure guide developed by the Singapore Exchange Trading Limited (the "**SGX-ST**") in January 2015 (the "**Guide**").

On 1 August 2018, the Monetary Authority of Singapore issued a revised Code of Corporate Governance (the "**New Code**") which aims to encourage board renewal, strengthen director's independence and enhance board diversity. The New Code will take effect for all annual reports covering financial years commencing from 1 January 2019. The Company will implement the New Code for its Annual Report for the financial year beginning 1 April 2019 .

The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable. Appropriate explanations have been provided in the relevant sections below where there are any deviations from the Code and/or the Guide.

Board Matters

1. The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with the management to achieve this objective and Management remains accountable to the Board.

The Board is involved in the supervision of the management of the Group's operations. All directors shall discharge their fiduciary duties and responsibilities at all times in the interests of the Group. Matters which specifically require the Board's decision or approval include:

(a) corporate strategies, business plan and direction of the Group;

(b) major funding and investment proposals;

(c) nomination and appointment of directors to the Board and appointment of key personnel;

(d) interested person transactions;

(e) half and full year financial results announcement, the annual report and reporting accounts;

(f) declaration of interim dividends and proposal of final dividends;

(g) material acquisition and disposal of assets; and

(h) all other matters of strategic importance relating to the Group.

The Board has delegated specific responsibilities to three Board committees, namely the Audit Committee, Remuneration Committee and Nominating Committee. These committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis.

The Board meets at least twice in each financial year to coincide with the announcements of the Group's half year and full year financial results. Additional meetings are held where circumstances require to address any specific or significant matters that may arise. The Constitution of the Company allows for Board meetings to be conducted by way of tele-conference and video conference.

The number of meetings held and attended by each director for the financial year under review is set out below:

	Board		Audit Committee		Nominating Committee		Remuneration Committee	
Directors	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Ho Yow Ping (He YouPing)[1]	3	3	3	3	2	2	2	2
Yeung Koon Sang @ David Yeung[2]	3	3	3	3	2	2	2	2
Pao Kiew Tee[3]	3	3	3	3	2	2	2	2
Periowsamy Otharam[5]	3	3	3	3	2	2	2	2

Notes:

1. *Ms Ho Yow Ping (He YouPing) ("**Wendy Ho**") attended the Audit Committee meetings, Nominating Committee meetings and Remuneration Committee meetings as invitee.*

2. *Mr Yeung Koon Sang was re-elected as Non-Executive Chairman of the Board, Chairman of Audit Committee and Remuneration Committee and a member of Nominating Committee on 28 September 2018.*

3. *Mr Pao Kiew Tee was re-elected as Independent Director, Chairman of Nominating Committee and a member of the Audit and Remuneration Committees on 28 September 2018.*

4. *Mr Sim Eng Huat was appointed as an Independent Director on 1 February 2019 and also appointed as a member of the Audit Committee, Nominating Committee and Remuneration Committee on the same day.*

5. *Mr Periowsamy Otharam was resigned as an Independent Director on 28 November 2018 and as a member of the Audit Committee, Nominating Committee and Remuneration Committee on the same day.*

Newly-appointed directors will be given an orientation program with materials provided to familiarise themselves with the business and organisational structure of the Group. Directors are also given an opportunity to visit the Group's business units and meet with management staff to get a better understanding of the Group's operations. Upon appointment of each director, the Company will also provide a formal letter to each director which sets out their duties and obligations.

The Company is responsible for arranging and funding the training of directors. All Board members are provided with regular updates on the changes in the relevant laws and regulations and financial reporting standards to enable them to make well-informed decisions and to ensure they are competent in carrying out their expected roles and responsibilities. Where appropriate, the Company will arrange for directors to attend seminars and receive training to improve themselves in discharging of their duties as directors. The Company also works closely with professionals as and when appropriate to provide its directors with updates in changes to relevant laws, regulations and accounting standards.

Mr Periowsamy Otharam who was appointed as an Independent Director of the Company on 17 April 2017 has resigned on 28 November 2018.

Mr Sim Eng Huat was appointed as an Independent Director of the Company on 1 February 2019 and has signed a formal letter of appointment with the Company.

Directors and key executives undergo relevant training to enhance their skills and knowledge, particularly on new laws, regulations and changing risks affecting the Group's operations. Other forms of training include governance practices and training in accounting, legal and industry-specific knowledge, such as Financial Reporting Standards updates and Sustainability Reporting. All directors are updated regularly concerning any changes in company policies, risk management, accounting standards, relevant new laws, regulations and changing commercial risks. Directors are encouraged to attend, at the Group's expense, relevant and useful training or seminars conducted by external organisations.

In FY2019, the Company's external auditors, Messrs Foo Kon Tan LLP, updated the Board on the changes in accounting standards.

News releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the directors are circulated to the Board. The Board was given updates at each meeting on business and strategic development pertaining to the Group's business. The Chief Executive Officer ("**CEO**") also updated the directors on the trends and developments in the beauty and wellness industry, including regulatory changes and its impact on the Group.

2. Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

In FY2019, the Board consisted of the following directors, who bring a wide range of business, legal and financial experience relevant to the Group:

Ms Wendy Ho	Chief Executive Officer
Yeung Koon Sang @ David Yeung	Lead Independent Director / Non-Executive Chairman
Pao Kiew Tee	Independent Director
Sim Eng Huat (appointed on 1 February 2019)	Independent Director
Periowsamy Otharam (resigned on 28 November 2018)	Independent Director

The Company endeavors to maintain a strong and independent element on the Board. There were three independent directors ("**IDs**") on the Board during the financial year under review, save for the interim period between the resignation of Mr Periowsamy Otharam on 28 November 2018 and the appointment of Mr Sim Eng Huat on 1 February 2019 which made up of more than half of the Board. The three independent directors made up of a majority of the Board thereby meeting the requirement of the Code which stipulates that where (1) the Executive Chairman is part of the management; or (2) the Executive Chairman is not an independent director, independent directors should make up at least half of the Board.

All the Board committees are chaired by the IDs. The IDs confirmed that they do not have any relationship with the Company, its related corporations, its officers or its shareholders with shareholding of at least 10% or more in the voting shares of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Company and its shareholders. The Company adopts the Code's definition of what constitutes an independent director in their review.

The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender.

The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

Balance and Diversity of the Board *as at date of this report*		
Core Competencies	**Number of Directors**	**Proportion of Board**
Accounting or finance	2	50%
Business management	4	100%
Legal or corporate governance	3	75%
Relevant industry knowledge or experience	3	75%
Strategic planning experience	4	100%
Customer based experience or knowledge	4	100%

The Board has taken the following steps to maintain or enhance its balance and diversity:

(a) by assessing the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and

(b) evaluation by the directors of the skill sets the other directors possess, with a view to understand the range of expertise which is lacking by the Board.

The Nominating Committee ("**NC**") will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.

The Board members comprise seasoned professionals with management, financial, accounting, compliance and relevant industry backgrounds. Its composition enables the Management to benefit from a diverse and objective external perspective on issues raised before the Board. The Board considers that its directors possess the necessary competencies to lead and govern the Company effectively.

The NC is responsible for reviewing the independence of the IDs on an annual basis. A member of the NC should not participate in the deliberation in respect of his independence as an independent director. The NC had reviewed and determined that all the IDs are independent based on the results of the annual assessment.

The profile of the directors is set out in the section, "Board of Directors" of the Annual Report.

The IDs provide, among other things, strategic guidance to the Company based on their professional knowledge, in particular, assisting, constructively challenging and developing strategic proposals.

The Board is of the opinion that, given the scope and nature of the Group's operations, the present size of the Board is appropriate in facilitating effective decision making.

The IDs will constructively challenge and assist in the development of proposals on strategy, and assist the Board in reviewing the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance. When necessary, the IDs will hold discussions amongst themselves without the presence of Management and/or Executive Director(s) to facilitate a more effective check on Management and/or Executive Director(s).

Presently, Mr Yeung Koon Sang @ David Yeung ("**David Yeung**") has served as an Independent Director of the Company for more than nine (9) years since his initial appointment in 2009. The Board has assessed his independence to a particularly rigorous review. Taking into account the views of the NC, the Board concurs that Mr David Yeung continued to demonstrate strong independence in character and judgement in the discharge of his responsibilities as a director of the Company. Based on the declaration of independence received from Mr David Yeung, he has no association with Management that could compromise his independence. After taking into account all these factors, and also having weighed the need for Board's refreshment against tenure for relative benefit, the Board has determined that Mr David Yeung continues to be considered an Independent Director, notwithstanding he has served on the Board for more than nine (9) years from the date of his first appointment.

3. Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Chairman and the CEO are not related to and are independent of each other. The Board is of the view that the process of decision making by the Board in FY2019 is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence. All Board committees are chaired by the IDs and more than half of the Board consists of IDs. As such, there are adequate accountability and safeguards to ensure an appropriate balance of power and authority for good corporate governance. Mr David Yeung, who is also the Lead Independent Non-Executive Director, was appointed the Chairman of the Board on 10 September 2018 and re-elected as Director on 28 September 2018.

The Chairman leads the Board discussions and deliberation and also ensures that the Board meetings are held when necessary. The Chairman sets the meeting agenda and endeavours that the directors are provided with complete, adequate and timely information. The Chairman also assists in ensuring compliance with the Group's guidelines on corporate governance.

The CEO is responsible for the day-to-day management of the business. She has the executive responsibilities in the business directions and operational efficiency of the Group. She also oversees the execution of the Group's corporate and business strategy set out by the Board and ensures that the directors are kept updated and informed of the Group's business.

Shareholders with concerns may contact the Lead Independent Non-Executive Director - Mr David Yeung (at email: auditcommittee@marychia.com) directly, when contact through the normal channels via the CEO or the Chief Financial Officer has failed to provide a satisfactory resolution or when such contact is inappropriate.

During the financial year, the IDs had a discussion amongst themselves without the presence of key management personnel and Executive Directors, to discuss matters and provide relevant feedback.

4. Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

As at the date of this report, the NC comprised Mr Pao Kiew Tee, Mr David Yeung and Mr Sim Eng Huat (appointed on 1 February 2019), all of whom, including the Chairman of the NC, are IDs.

The Chairman of the NC is Mr Pao Kiew Tee. He is not directly associated to a substantial shareholder of the Company.

The NC meets at least once a year.

The NC has adopted specific terms of reference and is responsible for, *inter alia*:

(a) Appointment of new directors with the appropriate profile in regards to their expertise, experiences, industry background, track record and competencies;

(b) Re-nomination of the directors having regard to the director's contribution and performance;

(c) Determining on an annual basis whether or not a director is independent;

(d) Reviewing the composition of the Board and make recommendations on the performance criteria and appraisal process to be used in the evaluation of individual directors; and

(e) Assessing the effectiveness of the Board as a whole and deciding whether or not a director is able to and has been adequately carrying out his/her duties as a director.

Where a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new director with particular skills or experience, the NC, in consultation with the Board, determines the selection criteria and selects the candidate with the appropriate expertise and experience for the position. The search and nomination process for new directors, if any, will be through contacts and recommendations provided by the Directors, headhunters or consultants. The NC will review, assess and meet with the candidates before making recommendation to the Board. In recommending new directors to the Board, the NC takes into consideration the skills and experience required to support the Group's business activities and strategies, the current composition and size of the Board, and strive to ensure that the Board has an appropriate balance of independent directors as well as directors with the right profile, expertise, skills, attributes and ability. Upon confirmation, the new directors will be appointed by way of board resolution. Such new directors will submit themselves for re-election at the next annual general meeting of the Company in accordance to the Company's Constitution.

In considering re-electing a director, the NC would assess the performance of the director in accordance with the performance criteria set by the Board; and the NC would also consider the current needs of the Board. When re-appointing a director, the NC after its satisfactory assessment would then recommend the proposed re-appointment of the director to the Board for its consideration and approval.

The NC has established a formal appraisal process to assess the performance and effectiveness of the Board as a whole as well as to assess the individual directors for their contribution and their commitment to their role. The appraisal process focuses on a set of performance criteria which includes the evaluation of the Board's composition and size, the Board's processes, the Board's effectiveness and training, the provision of information to the Board, the Board's standards of conduct and financial performance indicators. Such performance criteria are approved by the Board and they address how the Board has enhanced long term Shareholders' value.

Pursuant to the provisions of Regulation 98 of the Company's Constitution, all directors are subject to re- nomination and re-election at regular intervals of at least once every three years. At each annual general meeting, at least one third of the directors are required to retire from office and submit themselves for re-election.

The NC recommended to the Board that Ms Ho Yow Ping and Mr Sim Eng Huat be nominated for re-election at the forthcoming AGM, having reviewed and being satisfied with the overall contributions and performance of Ms Ho Yow Ping and Mr Sim Eng Huat. With the Directors offering themselves for re-election, the Board has accepted the recommendations of the NC. Upon re-election, Ms How Yow Ping will remain as an Executive Director and CEO of the Company and Mr Sim Eng Huat will remain as an Independent Director of the Company and member of the Nominating Committee, Audit Committee and Remuneration Committee. Mr Sim Eng Huat will be considered independent for the purposes of Rule 704 (7) of the Catalist Rules.

Mr Sim Eng Huat, being a member of the NC, abstained from voting on the resolution in respect of his re-nomination and re-election as a director.

As at the date of this report, the year of initial appointment and last re-election of each director as well as their present and past directorships in other listed companies and principal commitments are set out below:-

Director	**Date of initial appointment**	**Date of last re-election**	**Current directorships in listed companies**	**Past directorships in listed companies (preceding three years)**	**Principal commitment**
Wendy Ho	30 April 2009	2 October 2017	Nil	Nil	Nil
David Yeung	11 June 2009	28 September 2018	AEI Corporation Ltd Southern Packaging Group Ltd CITIC Envirotech Ltd CNA Group Ltd	Ace Achieve Infocom Limited	Kreston David Yeung PAC
Pao Kiew Tee	10 December 2012	28 September 2018	Boldtek Holdings Limited Wong Fong Industries Limited New Silkroutes Group Limited	Jubilee Industries Holdings Ltd Imperium Crown Ltd	Independent Director
Sim Eng Huat	01 February 2019	N.A.	Lafe Corporation Limited SK Jewellery Group Holdings Limited Metech International Ltd	Nil	Sunchest Property Consultants Pte Ltd RS Advisory & Consultancy Pte Ltd Talentchest Consulting Pte Ltd

Multiple board representation

The NC has considered and is of the view that it will not set a limit on the number of directorships that a director may hold because each director has different capabilities, and the nature of the organizations in which they hold appointments and the kind of committees on which they serve are of different complexities. The NC will continue to monitor and assess the demands of each director's competing directorships and obligations to ensure each director has given sufficient time and attention to the affairs of the Company and has adequately discharge his duties to the Company. Based on its assessment, the NC will then determine, if required, the maximum number of directorships each director can hold.

The considerations in assessing the capacity of directors include the following:

- Expected and/or competing time commitments of directors;
- Geographical location of directors;
- Size and composition of the Board; and
- Nature and scope of the Group's operations and size

The Company currently does not have any alternate directors.

The NC had reviewed and is satisfied that in FY2019, all of the Independent Directors holding multiple board representations, have been able to devote adequate time and attention to the affairs of the Company to fulfill their duties as directors of the Company.

5. Board Performance

Principle 5: There should be formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The NC evaluates the performance of the Board as a whole and Board Committees based on performance criteria set by the Board. The criteria for assessing the Board's and Board Committees' performance include the Board's composition and size, processes, accountability, standard of conduct and performance of its principal functions and fiduciary duties, and guidance to and communication with the Management. The level of contribution to Board meetings and other deliberations were also considered.

During FY2019, directors were requested to complete a self-assessment checklist based on the above areas of assessment to assess the overall effectiveness of the Board and Board Committees. The results of these checklists were considered by the NC which made recommendations on the re-nomination of directors to the Board to help the Board in discharging its duties more effectively. No external facilitator was engaged for the evaluation process in FY2019.

The NC had assessed the current Board's and Board Committees' performance to-date and is of the view that the performance of the Board as a whole was satisfactory. Given the relatively small size of the Board, the NC is of the view that there is no immediate need to conduct a formal assessment of the contribution of individual directors to the effectiveness of the Board.

6. Access to information

Principle 6: In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Management endeavours to provide the Board with complete, adequate and timely information prior to Board meetings and on an on-going basis. Where a decision has to be made, the necessary information is provided to the directors in a timely manner to enable them to make informed decisions.

All directors are from time to time furnished with information concerning the Group to enable them to be fully cognizant of the decisions and actions of the Group's executive management. The Board has unrestricted access to the Company's records and information. In order to ensure that the Board is able to fulfil its responsibilities, Management endeavours to provide the Board members with regular management accounts and all relevant information for assessment of the Group's performance. In addition, all relevant information on material events and transactions are circulated to directors as and when they arise. Whenever necessary, senior management staff will be invited to attend the Board meetings and AC meetings to answer queries and provide detailed insights into their areas of operations. A half yearly report of the Group's activities is also provided to the directors.

The Board, either individual or as a group, has separate and independent access to the Management and the Company Secretary at all times. The Company Secretary or her representative will be present at all Board meetings to ensure that Board's procedures are followed, and the relevant rules and regulations are complied with. The minutes of the Board and Board Committees' meetings are circulated to the Board.

The Company Secretary's key role is to ensure that board procedures are followed and regularly reviewed. The function of the Company Secretary is to handle all the corporate paperwork and procedural matters of a company such as to:

(a) Monitor and ensure compliance with the relevant legal requirements, review developments in corporate governance and advise the directors of their duties and responsibilities;

(b) Ensure that the statutory registers required to be kept are established and properly maintained, in particular, the register of director's and substantial shareholder's holding in shares in the Company;

(c) Ensure safe custody and proper use of the common seal;

(d) Ensure that the directors' disclosure of interests are brought up at board meetings and minuted;

(e) Organise and attend directors' and shareholders' meetings such as sending out notices, preparing agendas, taking down of minutes of meetings, give advice at meetings on questions relating to procedure (for example, quorum requirements, voting procedures, proxy provisions), statutory requirements and ensure the correct procedures are followed;

(f) Ensure that the annual return and financial statements and any other filing required by ACRA are filed within the timeframe; and

(g) Disseminate information to the public via the SGXNET.

Management deals with requests for information from the Board promptly and consults the Board members regularly whenever necessary and appropriate.

Should the directors, whether individually or as a group, require independent advice on any specific issues, they may engage independent professionals at the Company's expense to enable them to discharge their duties with adequate knowledge on the matters being deliberated.

7. Remuneration Committee

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his or her own remuneration.

As at the date of this report, the Remuneration Committee ("**RC**") comprised Mr David Yeung, Mr Pao Kiew Tee and Mr Sim Eng Huat (appointed on 1 February 2019), all of whom, including the Chairman of the RC, are IDs.

The Chairman of the RC is Mr David Yeung.

The key terms of reference of the RC, *inter alia*, are as follows:

(a) to review and recommend to the Board the terms of renewal for those Executive Directors whose current employment contracts will be expiring;

(b) to consider the various disclosure requirements for directors' and key management personnel remuneration, particularly those required by regulatory bodies such as SGX and to ensure that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties;

(c) to make recommendations to the Board on the Company's framework of remuneration, the specific remuneration packages for each Executive Director and the CEO or executive of relevant rank if the CEO is not a director;

(d) to engage such professional consultancy firm as the RC may deem necessary to enable it to discharge its duties hereunder satisfactorily;

(e) to carry out such other duties as may be agreed to by the RC and the Board; and

(f) to perform an annual review of the remuneration, bonuses, increases and/or promotions of employees related to our directors and/or substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scope and level of responsibilities.

The RC recommends to the Board a framework of remuneration for the directors, Executive Officer and key management personnel and determines specific remuneration packages for the CEO. The RC submits its recommendations to the Board for endorsement. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind are covered by the RC. Each member of the RC shall abstain from voting on any resolutions and making recommendations or participating in any deliberations in respect of his or her remuneration package.

8. Level and mix of remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company. Appropriate remuneration to attract, retain and motivate directors and key management but should avoid paying more than is necessary for this purpose.

The RC performs an annual review and ensures that the remuneration packages are comparable within the industry and with similar companies and will also take into consideration the Group's relative performance and the contributions and responsibilities of the individual directors.

The service agreement of Ms Wendy Ho, in relation to her appointment as CEO respectively, was renewed on 5 September 2018 for a period of three years. The IDs are compensated based on fixed directors' fees taking into considerations their contributions, responsibilities and time spent. Their fees are recommended to shareholders for approval at the annual general meeting of the Company.

The compensation for immediate termination is the amount of remuneration in relation to the notice period unless termination is due to misconduct, where no compensation will be granted.

If necessary, the RC may seek expert advice outside the Company on remuneration of the directors and key management personnels. The RC ensures that in the event of such advice being sought, existing relationships, if any, between its Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. The Company has not appointed any remuneration consultants for FY2019.

9. Disclosure on remuneration

Principle 9: Clear disclosure on remuneration policy, level and mix of remuneration and the procedure for setting remuneration.

The Company adopts a policy of rewarding its Executive Director(s) and key management personnels by way of a basic salary and a variable component comprising variable bonus which is based on individual performance as well as the performance of the Group as a whole. The level and structure of the remuneration are aligned with the market practice to ensure competitive compensation for our Executive Director(s) and key management personnels.

The remuneration received by the Executive Director(s) and key management personnel take into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2019. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary and fixed allowance. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.

The performance conditions used to determine the entitlement of the Executive Director(s) and key management personnel comprise of both qualitative and quantitative conditions.

Certain quantitative conditions taken into consideration are target revenue, target profit, sales growth and years of service, while qualitative conditions comprise of on-the-job performance, leadership, teamwork, and the performance conditions are set by the RC. The inclusion of the performance conditions in the service agreements of the Executive Directors and key management personnel is done in a review conducted prior to the renewal of the service agreements of the Executive Directors and performance evaluation for key management personnel. In view of the challenging operating conditions, the performance conditions were referred to but not factored in the determination of the remuneration received by the Executive Directors and the key management personnel for FY2019.

The breakdown of the remuneration of the directors for FY2019 is as follows:

Directors	Salary %	Bonus %	Fees %	Other Benefits %	Total %
$250,000 to $500,000					
Wendy Ho	100	-	-	-	100
Below $250,000					
David Yeung	-	-	100	-	100
Pao Kiew Tee	-	-	100	-	100
Sim Eng Huat[1]	-	-	100	-	100
Periowsamy Otharam[2]	-	-	100	-	100

Note:

1. *Mr Sim Eng Huat was appointed as Independent Director and member of the AC, RC and NC of the Company on 01 February 2019.*
2. *Mr Periowsamy Otharam was resigned as Independent Director and member of the AC, RC and NC of the Company on 28 November 2018.*

Due to confidentiality and competitive pressures in the industry and talent market and to prevent poaching of key management personnel, the Company shall not fully disclose the remuneration of individual directors and the top five key management personnel on a named basis. Instead, the remuneration paid to each director and the top five key management personnel for the financial year shall be presented in bands of S$250,000.

Key Management Personnel	Salary[4] %	Bonus %	Fees %	Other Benefits %	Total %
Below $250,000					
Chua Goh Boon Hua	90.5	-	-	9.5	100
Simon Ooi See Keng	99.5	-	-	0.5	100
Siu Yeung Sau[1]	100.0	-	-	-	100
Yong Zhi Yong	100.0	-	-	-	100
Hoe Ying Min[2]	96.6	-	-	3.4	100

Notes:

1. *Mr Siu Yeung Sau was resigned as Chief Financial Officer on 21 March 2019.*
2. *Dr Hoe Ying Min was appointed on 1 August 2017.*
3. *Salary includes contractual payments for staff retention purposes that are based on completion of every 6 months of employment.*

None of the key management personnel above and employees of the company are related in any way to the Chairman, the CEO or the directors of the Company.

The aggregate of the total remuneration paid to the top five key management personnel (who were not directors or CEO) was approximately $490,000.

The Company does not have any employee share option scheme at the present time.

There were no termination or retirement benefits, as well as post-employment benefits that are granted to the directors, Chairman, CEO and key management personnel.

10. Accountability and audit

Principle 10: Board to present balanced and understandable assessment of the Company's performance, position and prospects.

The Board is accountable to shareholders and disseminates information on the Group's performance, position and prospects through the half year and full year financial results announcement as well as the annual report. The Board also furnishes timely information and ensures full disclosure of material information to shareholders via SGXNET or press releases.

The auditors of the Company's subsidiaries are disclosed in note 6 to the financial statements in this annual report.

11. Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interest and the company's assets, and should determine the nature and extent of the significant risk which the Board is willing to take in achieving its strategic objectives.

The Company does not have a specific Risk Management Committee. However, the Management regularly reviews the Company's businesses and operational activities to identify areas of significant business risks and takes appropriate measures to minimise these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to the directors and the AC. The Management and directors have also considered the various financial risks, details of which are disclosed in the notes to the accompanying audited financial statements.

The AC will ensure that a review of the effectiveness of the Group's material internal controls, including financial, operational, compliance and information technology controls and risk management is conducted annually by the Management, external and internal auditors. The AC will review the audit plans, and the findings of the external auditors and internal auditors, and will ensure that the Group follows up on the external and internal auditors' recommendations raised, if any, during the audit process.

In its review of the external auditors' examination and evaluation of the system of internal controls, to the extent of the scope as laid out in their audit plan, no significant weakness in the system has come to the attention of the AC to cause it to believe that the system of internal controls is inadequate as at the date of this report.

In FY2019, the Board had received assurance from the CEO that:

(a) the financial records have been properly maintained and the financial statements for FY2019 give a true and fair view of the Company's operations and finances; and

(b) the Company's risk management and internal control systems are effective.

At present, the Board relies on the assurance provided by Management, internal audit reports prepared by the internal auditors, external audit report and management letter prepared by the external auditors on any material non-compliance or internal control weaknesses.

For the current financial year, the Company had commissioned BDO LLP, an outsourced audit firm to follow up and review on internal controls over certain critical audit cycles including, but not limited to IT controls and payment of commission / bonus /reward on the direct selling business as well as Corporate Governance, interested person transactions review and payroll.

The Board is of the view that Management has endeavored and taken the appropriate steps to rectify the possible control weaknesses and possible shortcomings highlighted by the internal auditors.

Based on the above, the Board together with the concurrence of the AC recognises that the possible control weaknesses highlighted by the internal auditors have been dealt with substantially by the management in the form of implementing and improving certain controls to address the possible weaknesses above. The Board with the concurrence of the AC is of the opinion that the Group's internal controls in addressing financial, operational and compliance and information technology risks have since become adequate and effective.

The Board notes that the system of internal controls provide reasonable, but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud and other irregularities.

12. Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly sets out its authority and duties.

As at the date of this report, the Audit Committee ("AC") comprises Mr David Yeung, Mr Pao Kiew Tee and Mr Sim Eng Huat (appointed on 01 February 2019), all of whom including the Chairman of the AC are IDs. The Chairman of the AC is Mr David Yeung.

None of the AC members were previous partners or directors of the Company's external audit firm within the last twelve months and none of the AC members hold any financial interest in the external audit firm.

The Board is of the view that the members of the AC have sufficient accounting and financial management expertise and experience to discharge the AC's functions. The AC carried out its functions in accordance with the Companies Act, Catalist Rules, the Code, and its terms of reference.

The AC assists the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records, and develop and maintain effective system of internal controls, with the overall objective of ensuring that the Management creates and maintains an effective controls environment in the Group. The AC provides a channel of communication between the Board, the Management and external auditors on matters relating to audit.

The AC meets at least twice a year to discuss and review the following, where applicable:

(a) Review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to Management and the Management's response;

(b) Review the financial statements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Catalist Rules and any other relevant statutory or regulatory requirements;

(c) Review the internal controls procedures and ensure co-ordination between the external auditors and the Management, review the assistance given by the Management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management, where necessary);

(d) Review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;

(e) Consider the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of auditors;

(f) Review interested person transactions (if any) and potential conflicts of interest (if any) falling within the scope of Chapter 9 of the Catalist Rules;

(g) Undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(h) Generally undertake such other functions and duties as may be required by the statute or the Catalist Rules, or by such amendments as may be made thereto from time to time; and

(i) Review the key financial risk areas, with a view to provide independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual report or, where the findings are material, announced immediately via SGXNET.

In addition, all transactions with interested persons shall comply with the requirements of the Catalist Rules. In the event that a member of the AC is interested in any matter being considered by the AC, he shall abstain from reviewing and deliberating on that particular transaction or voting on that particular transaction.

Apart from the duties listed above, the AC shall commission and review the findings of internal investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results or financial position or both.

The AC also has the power to investigate any matter brought to its attention, within its terms of reference, with the power to obtain professional advice at the Company's expense. The AC has full access to and the co-operation of the Management, as well as full discretion to invite any director or key management personnel to attend the meetings and has been given reasonable resources to enable it to discharge its functions properly.

The AC met with the external auditors without the presence of any Executive Director and Management personnel in FY2019.

Messrs Foo Kon Tan LLP had been appointed as the Company's external auditors since 28 March 2016 and Ms Ang Soh Mui is the current audit engagement partner in charge of the audit of the Company.

The AC, having reviewed the scope and value of the non-audit services in relation to the audit of services provided by Messrs Foo Kon Tan LLP to the Group, are satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The AC is also satisfied with the level of co-operation rendered by the Management to the external auditors and the adequacy of the scope and quality of their audits.

The Company confirms that Rules 712 and 715 of the Catalist Rules are complied with.

The AC had recommended to the Board the nomination of Messrs Foo Kon Tan LLP for re-appointment as auditors of the Company at the forthcoming AGM.

The Company had instituted a whistle-blowing policy to provide a channel for employees of the Group to report in good faith and in confidence, without fear of reprisals, concern about possible improprieties in financial reporting and other matters. The objective of the policy will ensure that there is independent investigation of such matters and that appropriate follow up actions will be taken. The AC exercises the overseeing function over the administration of the policy. Staff is given direct access to the AC via email or mail. Once a complaint is lodged, the AC will direct Management to investigate and review any report findings as well as follow up actions taken. If a complaint is lodged against management, the AC may decide to investigate and review any report findings on its own.

The AC had recommended that the Company's whistle-blowing policy to be disseminated to each new employee.

The AC members are kept abreast of the changes to accounting standards and issues which have a direct impact on financial statements through the external auditors during the AC meetings.

13. Internal Audit

Principle 13: The Company should establish an internal audit function that is independent of the activities it audits.

For the current financial year, the Company had commissioned BDO LLP, an outsourced audit firm to follow up and review on internal controls over certain critical audit cycles including, but not limited to IT controls and payment of commission / bonus /reward on the direct selling business as well as Corporate Governance, interested person transactions review and payroll.

The AC is of the view that Management has endeavoured and taken the appropriate steps to rectify the possible control weaknesses and possible shortcomings highlighted by the internal auditors.

BDO LLP prepares the audit plan in consultation with, but independent of the Management. The plans are submitted to the AC for approval prior to the commencement of the reviews. In addition, the internal auditors may be involved in ad-hoc projects initiated by the Management which require the assurance of the internal auditors in specific areas of concerns. BDO LLP is provided with access to the Company's properties, information and records and performs their reviews in accordance with the BDO Global IA methodology which is consistent with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. As the Company's outsourced internal auditors, BDO LLP is required to provide staff of adequate expertise and experience to conduct the internal audits.

BDO LLP reports to the AC on internal audit matters. The AC also reviews and approves the annual internal audit plans and resources to ensure that BDO LLP has the necessary resources to adequately perform its functions.

The AC is aware of the need to establish a system of internal controls within the Group to safeguard the shareholders' interests and the Group's assets, and to manage risk. The size of the operations of the Group does not warrant the Group to have an in-house internal audit function.

During the financial year, the internal audits reports on the FY2019 reviews were received by the AC with the inclusion of the Management's response. The AC also reviews the effectiveness of actions taken by the Management on the recommendations made by the internal auditors in this respect. The AC is satisfied that the internal audit function is adequately resourced and has the appropriate standing within the Group.

14. Communication with Shareholders

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Principle 16: Companies should encourage greater shareholder participation at annual general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

The Board is mindful of its obligation to provide timely and fair disclosure of material information to shareholders. Shareholders are kept abreast of financial results and other material information concerning the Group through regular and timely dissemination of information through:

(a) The annual report that is despatched to all shareholders within the mandatory period;

(b) announcements on the SGXNET at www.sgx.com; and

(c) the Company's website at www.marychia.com through which shareholders can access information on the Group. An email address is also provided at the Company's website for shareholders and potential investors to send their enquiries.

All shareholders of the Company will receive the notice of annual general meeting and/or extraordinary general meeting and such notice will also be advertised in the newspapers. The directors attend the annual general meetings and are available to answer questions from the shareholders. The Chairman of the Board, AC, NC and RC and the external auditors will also be present to assist the directors in addressing any relevant queries from shareholders. The Company held its last annual general meeting in September 2018. The Board considers the annual general meeting as the main forum where dialogue with shareholders can be effectively conducted. The Company will consider the use of other forum set out in the Code as and when such needs arise.

Shareholders are encouraged to attend, to participate effectively, to vote in the general meetings of the Company, to stay informed of the Company's strategy and goals, in order to ensure a high level of accountability. Notice of the general meeting is despatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 working days before the meeting. If and where questions are presented by the shareholders (in a general meeting or otherwise), the Company will communicate with its shareholders and attend to such questions. The Company meets with investors at least once a year at the AGM of the Company.

The Company currently does not have an investor relations policy but considers advice from its professionals on appropriate disclosure requirements before announcing material information to shareholders. The Company will consider the appointment of a professional investor relations officer to manage the function should the need arises.

To facilitate participation by shareholders, the Constitution of the Company allow shareholders to attend and vote at general meetings of the Company by proxies. A shareholder who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak, and vote at the general meetings while a member who is relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the general meetings through proxy forms deposited 48 hours before the meeting.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends would depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the directors may deem appropriate that are beneficial to the Company. Notwithstanding the above, any declaration of dividends is clearly communicated to the shareholders via SGXNET. The Company had declared an interim dividend of 0.3 cent per ordinary share (one-tier tax exempt) for FY2019 as announced on 14 December 2018.

Minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management will be prepared and shall be made available to shareholders upon their request.

The Company ensures that there are separate resolutions at general meetings on each distinct issue. To promote greater transparency and effective participation, the Company conducted electronic poll voting for all resolutions tabled at the shareholders' meetings. The rules, including the voting process, are clearly communicated at such meetings.

15. Dealing in Company's Securities

In line with Rule 1204(19) of the Catalist Rules, the Group has adopted an internal code of conduct to provide guidance to its directors and officers with regard to dealings in the Company's securities. The Company, directors and officers of the Company should not deal in the Company's securities on short term considerations and during the period of one (1) month prior to the announcement of the Company's half year and full year financial results and ending on the date of the announcement of the relevant financial results. Directors and officers are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. The directors and officers are also required to adhere to the provisions of the Companies Act, and any other relevant regulations with regard to their securities transactions.

16. Interested Person Transactions ("IPTs")

The Company has established procedures to ensure that all transactions with interested persons are reported to the AC which are reviewed, at least twice a year, to ensure that they are carried out at arm's length and in accordance with the established procedures.

The Group does not have a general mandate for IPTs.

The IPTs transacted in FY2019 by the Group were as follows:

Name of Interested Person	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)
JL Asia Resources Pte Ltd[1] Operating lease rental income	0.3	-

Note 1

JL Asia Resources Pte Ltd ("**JL Asia**") is wholly-owned by Lee Boon Leng "**Mr Lee**", being the controlling shareholder of Suki Sushi Pte. Ltd. ("**Suki Sushi**"), is the ultimate controlling shareholder of the Company, and the spouse of the CEO, Wendy Ho. Mr Lee has deemed interst of 67.57% in the shares of the Company ("**Shares**") by virtue of his 73.75% shareholdings interest in Suki Sushi, which holds 67.57% of the Shares. Wendy Ho directly owns 19.99% of the total Shares and has a deemed interest of 67.57% in the Company by virtue of her 21.70% shareholding interest in Suki Sushi.

("**Spa Menu**"), a wholly owned subsidiary of the Company leases an area of 257.6 square meters within the premise of 48, 49 and 50 Mosque Street (the "**Premise**") to operate a spa under the brand name "Huang Ah Ma". As announced on 30 May 2018, the lease of the premises entered into between Spa Menu Pte. Ltd. and JL Asia (the "**First Lease**") was for a term of six months from 1 April 2018 to 30 September 2018 at a monthly rental of S$19,000. As announced on 1 October 2018, Spa Menu entered into a lease of the Premise ("**Second Lease**") for a term of one year from 1 October 2018 to 30 September 2018, with an option to renew for an additional year under the terms as the First Lease. The entry of the Second Lease falls within the exception of Catalist Rule 916 (1). The aggregate values of the First Lease and Second Lease will be approximately S$114,000 and S$228,000 respectively.

17. Material Contracts

Pursuant to Rule 1204(8) of the Catalist Rules, the Company confirms that except for the services agreements between the Company and the CEO and save as previously disclosed by the Company on SGXNET, there were no material contracts entered into by the Company or any of its subsidiaries, involving the interests of the CEO or any other director or controlling shareholder, which are either still subsisting at the end of FY2019 or if not then subsisting, entered into since the end of the previous financial year.

18. Non-Sponsor Fees

No non-sponsor fees were paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2019.

19. Non-Audit Fee

The audit and non-audit services that were rendered by the Company's external auditors, Messrs Foo Kon Tan LLP, to the Group and their related fees in FY2019 were as follows:

	S$
Audit Fees	90,000
Non-Audit Fees	26,892
Total	116,892

20. Corporate Social Responsibilities

We believe that environmentally-friendly practices complement business efficiency. Our staff are encouraged to reduce, recycle and reuse and we advocate corporate social responsibility towards the environment by incorporating these processes in our daily operations. We encourage the use of recycled paper in the office and other activities to reduce the pollution to earth and water.

The Company is gradually placing emphasis on sustainability and would implement appropriate policies and programs when the opportunities arise. The Group announced its first Sustainability Report on 29 March 2019 in compliance with Rule 711A.

The Group will endeavour to present its second Sustainability Report by 31st August 2019, with a focus on the organisation's sustainability practices, in particular, reforms to environmental, social and governance (ESG) issues. More details and information will be available in full report that will be published by the end of August 2019.

21. ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION-APPENDIX 7F TO THE CATALIST RULES.

Pursuent to Rule 720 (5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating to Ms Wendy Ho and Mr Sim Eng Huat, being the directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM is set out below

Name of Director	Wendy Ho	Sim Eng Huat
Date of Initial Appointment	30 April 2009	1 February 2019
Date of last re-appointment (if applicable)	2 October 2017	NA
Age	47	65
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process).	The re-election of Ms. Wendy Ho as the Executive Director and CEO was recommended by the NC and the Board had accepted the recommendation, after taking into consideration Ms. Wendy Ho's qualifications, past experiences and overall contributions since she was appointed as the Director of the Company.	The re-election of Mr. Sim as the Independent Director of the Company was recommended by the NC and the Board had accepted the recommendation taking into consideration Mr. Sim's qualifications, past experiences and overall contributions since he was appointed as the Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive overall management and operation as well as the implementation of the Group's strategies and policies.	Non-Executive
Job Title	CEO and Executive Director	Independent Director, member of the Audit, Nominating committee and Remuneration committee.
Professional qualifications	Diploma in Aesthetic Treatments from the Confederation of International Beauty Therapy and Cosmetology ("CIBTAC")	Victoria School (GCE 'A' level)

Working experience and occupation(s) during the past 10 years	Mary Chia Holdings Limited Chief Executive Officer	Suntec Investment Pte Ltd Group of Companies (1994 – 2013), Chief Operating Officer Concurrently, Chesterton Suntec International Property Consultants Pte Ltd, Managing Director RHT Chestertons Pte Ltd (2016 – 2018), Managing Director & subsequently Chairman. 2013 – Present: RS Advisory & Consultancy Pte Ltd, Executive Director SunChest Property Consultancy Pte Ltd, Managing Director TalentChest Consulting Pte Ltd Chief Executive Officer F&L Builders & Construction Pte Ltd (30% equity, Chairman)
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest of 32,680,000 Ms. Wendy Ho and Mr Lee Boon Leng are deemed to have an interest in the Company by virtue of their 73.75% and 21.70% respective shareholdings interest in Suki Sushi Pte. Ltd. which holds 110,466,839 shares in the company through DBS Nominees Pte Ltd	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Ms Wendy Ho is the spouse of Mr Lee Boon Leng	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

Other Principal Commitments Including Directorship	Present: Director of: MCY Investment Holdings Pte Ltd Dragon Development Pte Ltd SJ Capital Pte Ltd	Past (for the last 5 years): Director of: 1) RHT Chestertons Pte Ltd 2) RHT TalentChest Pte Ltd 3) Present Private Limited 4) EPS Worldwide Pte Ltd 5) EPS Worldwide Training Academy Pte Ltd 6) Asia Central Resources Pte Ltd Present: Independent Director of 1) Lafe Corporation Limited 2) Metech International Limited 3) SK Jewellery Group Limited Director of: 1) RS Advisory & Consultancy Pte ltd 2) SunChest Property Consultants Pte Ltd 3) TalentChest Consulting Pte Ltd 4) F&L Builders & Construction Pte Ltd (30% equity)
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes. On 13 July 2017, the company announced that its subsidiary MSB-Beauty Pte Ltd be liquidated. In compliance with the arbitration order.	No
(c) Whether there is any unsatisfied judgment against him	No	No

(d)Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iii) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(K) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Yes. On 1 February 2017, Ms Wendy Ho, as Director of the company, was fined S$2,600 for hiring 3 foreign women workers without approval, which she has paid all fines in full with the case being closed	No
Disclosure applicable to the appointment of Director Only		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please provide details of any training undertaken in the roles and responsibilities of a director of a listed Company.	Yes as she is a current director of the company.	Yes as he is a current director of the company.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

The directors submit this statement to the members together with the audited consolidated financial statements of Mary Chia Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 March 2019.

Opinion of the directors

In the opinion of the directors,

(a) the accompanying statements of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Group for the year ended 31 March 2019 in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, after considering the measures taken by the Group and the Company with respect to the Group's and the Company's ability to continue as a going concern as described in Note 2 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of directors

The Directors of the Company in office at the date of this statement are as follows:

Ho Yow Ping (He YouPing) (Chief Executive Officer)
Yeung Koon Sang @ David Yeung (Non-Executive Chairman/ Lead Independent Director)
Pao Kiew Tee (Independent Director)
Sim Eng Huat (Independent Director) (Appointed on 1 February 2019)

Directors' interest in shares or debentures

a) According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Number of ordinary shares			
	Shares registered in the name of director		Shares in which director is deemed to have an interest	
The Company - Mary Chia Holdings Limited	As at 1.4.2018	**As at 31.3.2019**	As at 1.4.2018	**As at 31.3.2019**
Ho Yow Ping (He YouPing) (Note 1)	32,680,000	**32,680,000**	110,466,839	**110,466,839**

Note:

(1) Ms Ho Yow Ping (He YouPing) is deemed to have an interest in 110,466,839 shares. Suki Sushi Pte. Ltd. holds 110,466,839 shares in the Company through DBS Nominees Pte. Ltd. Mr. Lee Boon Leng, the spouse of Ms Ho Yow Ping (He YouPing), holds 73.75% of the shareholdings of Suki Sushi Pte. Ltd. while Ms Ho Yow Ping (He YouPing) holds 21.70%.

b) Ms Ho Yow Ping (He YouPing), by virtue of the provisions of Section 7 of the Act, is deemed to have an interest in the whole of the share capital of the Company's wholly owned subsidiaries and in the shares held by the Company in the following subsidiary that is not wholly owned by the Group:

	Number of ordinary shares			
	Shares registered in the name of director		Shares in which director is deemed to have an interest	
The Subsidiary - Hotel Culture Pte Ltd	As at 1.4.2018	**As at 31.3.2019**	As at 1.4.2018	**As at 31.3.2019**
Ho Yow Ping (He YouPing)	-	**-**	245,000	**245,000**

There was no change in any of the above-mentioned interests between the end of the financial year and 21 April 2019.

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

Audit Committee

The audit committee at the end of the financial year comprises the following members:

Yeung Koon Sang @ David Yeung (Chairman)
Pao Kiew Tee
Sim Eng Huat

The audit committee performs the functions set out in Section 201B(5) of the Companies Act, Cap. 50, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the committee reviewed the following:

(i) overall scope of external audit and the assistance given by the Company's officers to the auditors. It met with the Company's external auditor to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;

(ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

(iii) the adequacy, effectiveness and efficiency of the Company's risk management, internal financial systems and operating controls, including computerised information system control and security, compliance controls and risk management systems via reviews carried out by the internal auditors, and all other material controls, and any related significant findings and recommendations of the auditors, together with management's responses thereto at least on an annual basis;

(iv) the half-yearly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2019 as well as the auditor's report thereon; and

(v) interested person transactions (as defined in Chapter 9 of the Catalist Rules).

The audit committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The audit committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The audit committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the Catalist Rules.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the directors

....
HO YOW PING (HE YOUPING)

....
YEUNG KOON SANG @ DAVID YEUNG

13 July 2019

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 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying 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 2019 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 $202,000 and $525,000 (2018 - $5,562,000 and $5,677,000) and reported net operating cash outflows of $29,124,000 (2018 - $1,635,000) for the financial year ended 31 March 2019. As at 31 March 2019, the Group's current liabilities exceeded current assets by $4,115,000 (2018 – surplus $284,000) and the Group had a deficit in equity of $3,289,000 (2018 – deficit $2,211,000). These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as going concerns. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matters	Our response and work performed
Valuation of investment property classified as assets held for sale **(Refer to Note 5 & 11 to the financial statements)**	
This investment property held for sale is stated at fair value based on an independent external valuation. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied in deriving the significant unobservable inputs, i.e. a small change in the assumptions can have a significant impact to the valuation.	We assessed the Group's processes for the selection of the external valuers, the determination of the scope of work of the external valuers, and the review and acceptance of the valuations reported by the external valuers. We have evaluated the competence, qualification and objectivity of management expert, obtained an understanding of the work of that expert; and evaluated the appropriateness of that expert's work as audit evidence for the relevant assertion. We also read the terms of engagement of the external valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work. We have evaluated whether the auditor's expert has the necessary competence, capabilities and objectivity for our purposes. Through our appointed auditor's expert, we considered the valuation methodologies used against those applied by the external valuers for similar property types. We have examined the valuation assumptions with regards to the market conformity. We have reviewed the mathematical correctness of fundamental calculation steps. We also considered the adequacy of the descriptions in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report is 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 will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), 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 financial reporting process.

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.

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

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those 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

13 July 2019

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2019

		The Group			The Company		
		31 March 2019	31 March 2018	1 April 2017	**31 March 2019**	31 March 2018	1 April 2017
	Note	**$'000**	$'000	$'000	**$'000**	$'000	$'000
ASSETS							
Non-Current Assets							
Property, plant and equipment	4	**1,244**	658	4,047	**-**	-	-
Investment property	5	**-**	-	57,000	**-**	-	-
Subsidiaries	6	**-**	-	-	**-**	265	1,265
Other assets	7	**123**	645	386	**-**	-	-
		1,367	1,303	61,433	**-**	265	1,265
Current Assets							
Inventories	8	**435**	443	402	**-**	-	-
Trade and other receivables	9	**373**	193	386	**8,711**	25,224	932
Other assets	7	**1,278**	507	1,002	**7**	8	4
Cash and cash equivalents	10	**4,073**	740	767	**2,177**	3	-
		6,159	1,883	2,557	**10,895**	25,235	936
Assets held for sale	11	**-**	59,915	-	**-**	-	-
		6,159	61,798	2,557	**10,895**	25,235	936
Total assets		**7,526**	63,101	63,990	**10,895**	25,500	2,201
EQUITY AND LIABILITIES							
Capital and Reserves							
Share capital	12	**4,818**	4,818	4,818	**4,818**	4,818	4,818
Reserves	13	**(9,620)**	(5,946)	(335)	**(4,786)**	9,699	(9,988)
Attributable to equity holders of the Company		**(4,802)**	(1,128)	4,483	**32**	14,517	(5,170)
Non-controlling interests		**1,513**	(1,083)	19,209	**-**	-	-
Total equity		**(3,289)**	(2,211)	23,692	**32**	14,517	(5,170)
Non-Current Liabilities							
Borrowings	14	**150**	154	22,478	**-**	-	-
Other payables	15	**218**	3,370	3,461	**-**	-	-
Provision	17	**173**	274	195	**-**	-	-
		541	3,798	26,134	**-**	-	-
Current Liabilities							
Borrowings	14	**43**	29,048	6,789	**-**	31	230
Trade and other payables	15	**7,588**	29,646	4,849	**10,863**	10,952	7,141
Contract liabilities	16	**2,365**	2,474	1,996	**-**	-	-
Provision	17	**256**	150	262	**-**	-	-
Current tax liabilities		**22**	196	268	**-**	-	-
		10,274	61,514	14,164	**10,863**	10,983	7,371
Total Liabilities		**10,815**	65,312	40,298	**10,863**	10,983	7,371
Total Equity and Liabilities		**7,526**	63,101	63,990	**10,895**	25,500	2,201

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	**Year ended 31 March 2019 $'000**	Year ended 31 March 2018 $'000
Revenue	3	**8,885**	9,104
Other operating income	18	**5,100**	445
Purchases and related costs		**(637)**	(396)
Changes in inventories		**(63)**	35
Depreciation of property, plant and equipment	4	**(472)**	(446)
Staff costs	19	**(5,887)**	(5,813)
Operating lease expense		**(2,564)**	(3,538)
Other operating expenses	20	**(4,458)**	(3,819)
Finance costs	21	**(106)**	(1,039)
Loss before income tax		**(202)**	(5,467)
Income tax expense	22	**-**	(95)
Loss for the year, net of tax		**(202)**	(5,562)
Other comprehensive loss, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(323)**	(115)
Other comprehensive loss for the year, net of tax		**(323)**	(115)
Total comprehensive loss for the year		**(525)**	(5,677)
Loss attributable to:			
Equity holders of the Company		**(2,581)**	(5,850)
Non-controlling interests		**2,379**	288
		(202)	(5,562)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(2,904)**	(5,965)
Non-controlling interests		**2,379**	288
		(525)	(5,677)
Loss per share attributable to equity holders of the Company (cents)			
- Basic and diluted loss per share	23	**(1.58)**	(3.58)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Share capital $'000	Merger reserve $'000	Capital reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total attributable to equity holders of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2017	4,818	(927)	-	122	470	4,483	19,209	23,692
Loss for the year	-	-	-	-	(5,850)	(5,850)	288	(5,562)
Other comprehensive income								
- Foreign currency translation differences	-	-	-	(115)	-	(115)	-	(115)
Total comprehensive loss for the year	-	-	-	(115)	(5,850)	(5,965)	288	(5,677)
Contributions by and distributions to owners								
Dividend	-	-	-	-	-	-	(20,580)	(20,580)
Fair value adjustments to interest-free loans from shareholders	-	-	-	-	354	354	-	354
Total transactions with owners, recognised directly in equity	-	-	-	-	354	354	(20,580)	(20,226)
At 31 March 2018	**4,818**	**(927)**	**-**	**7**	**(5,026)**	**(1,128)**	**(1,083)**	**(2,211)**
At 1 April 2018	4,818	(927)	-	7	(5,026)	(1,128)	(1,083)	(2,211)
Loss for the year	-	-	-	-	(2,581)	(2,581)	2,379	(202)
Other comprehensive income								
- Foreign currency translation differences	-	-	-	(323)	-	(323)	-	(323)
Total comprehensive loss for the year	-	-	-	(323)	(2,581)	(2,904)	2,379	(525)
Contributions by and distributions to owners								
Dividend	-	-	-	-	(490)	(490)	-	(490)
Fair value adjustment to interest-free loans from shareholders	-	-	-	-	119	119	-	119
Acquisition of shares of a subsidiary without a change in control (Note 6)	-	-	(399)	-	-	(399)	217	(182)
Total transactions with owners, recognised directly in equity	-	-	(399)	-	(371)	(770)	217	(553)
At 31 March 2019	**4,818**	**(927)**	**(399)**	**(316)**	**(7,978)**	**(4,802)**	**1,513**	**(3,289)**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	**Year ended 31 March 2019 $'000**	Year ended 31 March 2018 $'000
Cash Flows from Operating Activities			
Loss before taxation		(202)	(5,467)
Adjustments for:			
Depreciation of property, plant and equipment	4	472	446
Fair value adjustment to interest-free loans from former director	18	-	(246)
Interest expense	21	106	1,039
Property, plant and equipment written off	20	-	31
Loss on disposal of property, plant and equipment	20	-	26
Impairment loss on property, plant and equipment	4	301	234
Gain on disposal of investment property		(4,885)	-
Operating loss before working capital changes		(4,208)	(3,937)
Change in inventories		8	(41)
Change in trade and other receivables		(430)	434
Change in trade and other payables		(24,320)	2,076
Cash used in operations		(28,950)	(1,468)
Income tax paid		(174)	(167)
Net cash used in operating activities		(29,124)	(1,635)
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment		(1,194)	(260)
Acquisition of shareholdings in a subsidiary		(182)	-
Deposit for sale of property		-	648
Proceeds from disposal of property, plant and equipment		-	7
Proceeds from disposal of investment property		64,800	-
Net cash generated from investing activities		63,424	395
Cash Flows from Financing Activities			
Proceeds from loans from financial institutions		-	1,480
Repayment of loans from financial institutions		(28,995)	(1,423)
Dividends paid		(490)	-
Restricted cash is used		(390)	
Interest paid		(106)	(891)
Repayment of finance lease liabilities		(85)	(73)
Repayment of loans from current director		(702)	(31)
Repayment of loans from former director		(590)	(5)
Loans from former director		-	2,200
Net cash (used in)/generated from financing activities		(31,358)	1,257
Net changes in cash and cash equivalents		2,942	17
Cash and cash equivalents at beginning of year		127	105
Effects of foreign exchange on cash and cash equivalents		-	5
Cash and cash equivalents at end of year	10	3,069	127

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Reconciliation of movements of liabilities to cash flows arising from financing activities, excluding equity item

	As at 1 April 2017 $'000	Cash flows – Principal repayment $'000	Cash flows – Proceeds $'000	Cash flows – Interest paid $'000	Non-cash flows – Interest expense $'000	Non cash flows- Fair value adjustment $'000	Non-cash flows transfer $'000	As at 31 March 2018 $'000
Finance lease liabilities (Note 14.1)	280	(73)	-	(11)	11	-	-	207
Loans from financial institutions (Note 14.2)	28,938	(1,423)	1,480	(878)	878	-	-	28,995
Loans from executive directors (Note 15)	1,802	(36)	-	-	99	(354)	(769)	742
Loans from former executive director (Note 15)	-	-	2,200	-	48	(245)	769	2,772

	As at 1 April 2018 $'000	Cash flows – Principal repayment $'000	Cash flows – Proceeds $'000	Cash flows – Interest paid $'000	Non-cash flows – Interest expense $'000	As at 31 March 2019 $'000
Finance lease liabilities (Note 14.1)	207	(85)	71	(8)	8	193
Loans from financial institutions (Note 14.2)	28,995	(28,995)	-	(1)	1	-
Loans from executive directors (Note 15)	742	(702)	-	-	-	40
Loans from former executive director (Note 15)	2,772	(590)	-	(91)	91	2,182

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 General information

The financial statements of Mary Chia Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 March 2019 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.

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

<u>Going concern</u>

The Group incurred losses and total comprehensive loss of $202,000 and $525,000 (2018 - $5,562,000 and $5,677,000), reported net operating cash outflows of $29,124,000 (2018 - $1,635,000) for the financial year ended 31 March 2019. As at 31 March 2019, the Group's current liabilities exceeded current assets by $4,115,000 (2018 - surplus $284,000) and the Group had a deficit in equity of $3,289,000 (2018 – deficit $2,211,000).

As at 31 March 2019, the Group's current liabilities included deferred revenue related to non-refundable payments received in advance from customers amounting to $2,365,000 (2018 - $2,474,000). Excluding this amount, the Group's current liabilities would be $7,909,000 (2018 - $59,040,000) compared to current assets of $6,159,000 (2018 - $61,798,000) as at 31 March 2019.

Notwithstanding the above, management believes that the Group will have sufficient resources to continue in operation for the foreseeable future, a period of not less than twelve months from the date of the financial statements after taking into consideration the following:

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

(2) 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 prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) 1, First-time Adoption of International Financial Reporting Standard, has been applied in preparing these financial statements promulgated by the Accounting Standards Council ("ASC"). These consolidated financial statements are the first set of financial statements prepared in accordance with SFRS(I).

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

The Group's consolidated financial statements until 31 March 2018 had been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). FRS differs in certain respects from SFRS(I). The Group's financial statements for the financial year ended 31 March 2019 are prepared in accordance with SFRS(I) and IFRS issued by the International Accounting Standard Board. As a result, this is the first set of financial statements prepared under SFRS(I).

These consolidated financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

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 financial statements, are disclosed in Note 2(c).

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.

2(b) Full convergence with SFRS(I) and adoption of new standards effective and not yet effective

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

As a first-time adopter of SFRS(I), the Group and the Company have applied retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (31 March 2019), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ended 31 March 2019, an additional opening statement of financial position as at date of transition (1 April 2017) is presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are presented for equity as at date of transition (1 April 2017) and as at end of last financial period under FRS (31 March 2018). Additional disclosures are made for specific transition adjustments if applicable.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 First-time Adoption of International Financial Reporting Standards. In addition to the adoption of the new framework, the following new SFRS(I)s, amendments to and interpretations of SFRS(I) are effective from the same date and relevant to the Group:

- SFRS(I) 15 Revenue from Contracts with Customers and Amendments to SFRS(I) 15;
- Clarifications to SFRS(I) 15;
- SFRS(I) 9 Financial Instruments;
- Classification and Measurement of Share-based Payment Transactions (Amendments to SFRS(I) 2);
- Deletion of short-term exemptions for first-time adopters (Amendments to SFRS(I) 1);
- SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration.

The application of the above standards and interpretations do not have a material effect on Group's and the Company's financial statements.

2(b) Full convergence with SFRS(I) and adoption of new standards effective and not yet effective (Cont'd)

The Group has not elected to apply the optional exemptions available under SFRS(I) 1 on 1 January 2018.

The accounting policies set out in Note 2(d) have been applied in preparing the financial statements for the year ended 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of the opening SFRS(I) statement of financial position at 1 April 2017 (the Group's date of transition), subject to the mandatory exceptions under SFRS(I) 1.

The effects of transition to SFRS(I) and initial application of SFRS(I) 9 are presented and explained below.

(I) Reconciliation of the Group's equity

Impact on the consolidated statements of financial position as at 1 April 2017 (date of transition to SFRS(I))

	FRS Framework $'000	SFRS(I) 1 $'000	SFRS(I) 15 $'000	SFRS(I) 9 $'000	SFRS(I) Framework $'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	4,047	-	-	-	4,047
Investment property	57,000	-	-	-	57,000
Other assets	386	-	-	-	386
	61,433	-	-	-	61,433
Current Assets					
Inventories	402	-	-	-	402
Trade and other receivables	386	-	-	-	386
Other assets	1,002	-	-	-	1,002
Cash and cash equivalents	767	-	-	-	767
	2,557	-	-	-	2,557
Total Assets	63,990	-	-	-	63,990
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	4,818	-	-	-	4,818
Reserves	(335)	-	-	-	(335)
Attributable to equity holders of the Company	4,483	-	-	-	4,483
Non-controlling interests	19,209	-	-	-	19,209
Total Equity	23,692	-	-	-	23,692
Non-Current Liabilities					
Borrowings	22,478	-	-	-	22,478
Other payables	3,461	-	-	-	3,461
Provision	195	-	-	-	195
	26,134	-	-	-	26,134

2(b) Full convergence with SFRS(I) and adoption of new standards effective and not yet effective (Cont'd)

(I) Reconciliation of the Group's equity (Cont'd)

Impact on the consolidated statements of financial position as at 1 April 2017 (date of transition to SFRS(I))(Cont'd)

	FRS Framework $'000	SFRS(I) 1 $'000	SFRS(I) 15 $'000	SFRS(I) 9 $'000	SFRS(I) Framework $'000
Current Liabilities					
Borrowings	6,789	-	-	-	6,789
Trade and other payables	4,849	-	-	-	4,849
Deferred revenue	1,996	(1,996)	-	-	-
Contract liabilities	-	1,996	-	-	1,996
Provision	262	-	-	-	262
Current tax liabilities	268	-	-	-	268
	14,164	-	-	-	14,164
Total Liabilities	40,298	-	-	-	40,298
Total Equity and Liabilities	63,990	-	-	-	63,990

2(b) Full convergence with SFRS(I) and adoption of new standards effective and not yet effective (Cont'd)

(I) Reconciliation of the Group's equity (Cont'd)

Impact on the consolidated statements of financial position as at 31 March 2018 (date of transition to SFRS(I))

	FRS Framework $'000	SFRS(I) 1 $'000	SFRS(I) 15 $'000	SFRS(I) 9 $'000	SFRS(I) Framework $'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	658	-	-	-	658
Other assets	645	-	-	-	645
	1,303	-	-	-	1,303
Current Assets					
Inventories	443	-	-	-	443
Trade and other receivables	193	-	-	-	193
Other assets	507	-	-	-	507
Cash and cash equivalents	740	-	-	-	740
	1,883	-	-	-	1,883
Assets held for sale	59,915	-	-	-	59,915
	61,798	-	-	-	61,798
Total Assets	63,101	-	-	-	63,101
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	4,818	-	-	-	4,818
Reserves	(5,946)	-	-	-	(5,946)
Attributable to equity holders of the Company	(1,128)	-	-	-	(1,128)
Non-controlling interests	(1,083)	-	-	-	(1,083)
Total Equity	(2,211)	-	-	-	(2,211)
Non-Current Liabilities					
Borrowings	154	-	-	-	154
Other payables	3,370	-	-	-	3,370
Provision	274	-	-	-	274
	3,798	-	-	-	3,798
Current Liabilities					
Borrowings	29,048	-	-	-	29,048
Trade and other payables	29,646	-	-	-	29,646
Deferred revenue	2,474	(2,474)	-	-	-
Contract liabilities	-	2,474	-	-	2,474
Provision	150	-	-	-	150
Current tax liabilities	196	-	-	-	196
	61,514	-	-	-	61,514
Total Liabilities	65,312	-	-	-	65,312
Total Equity and Liabilities	63,101	-	-	-	63,101

2(b) Full convergence with SFRS(I) and adoption of new standards effective and not yet effective (Cont'd)

(a) SFRS(I) 1

The Group adopted SFRS(I) in 2018 and applied SFRS(I) 1 with 1 April 2017 as the date of transition for the Group and the Company. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2018, restatement of comparatives may be required because SFRS(I) requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. The application of the mandatory exceptions in SFRS(I) 1 does not have quantitative impact on the Group's and the Company's financial statements. The Group has elected to apply the exemption to not restate comparative information in the 2018 SFRS(I) financial statements upon transition to SFRS(I) 1.

(b) SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group has adopted SFRS(I) 15 in its financial statements for the year ended 31 March 2019. The Group has changed the presentation of certain amounts in the statements of financial position as at 1 April 2017 upon adopting SFRS(I) 15:

- Contract liabilities refers to services for beauty, slimming and spa treatments which the Group recognises as the fee is collected under SFRS(I) 15.

(c) SFRS(I) 9

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

The following assessments have been made on the basis of facts and circumstances that existed at 1 April 2018.

- The determination of the business model within which a financial asset is held.
- The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- The designation of an investment in equity instruments that is not held for trading as at fair value through other comprehensive income ("FVOCI").
- The designation and revocation of previous designations of certain financial assets and financial liabilities measured at fair value through profit or loss (FVTPL).

SFRS(I) 9 replaces the provision of FRS 39 that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition, of financial instruments, and impairment of financial assets. The adoption of SFRS(I) 9 Financial Instruments from 1 April 2018 resulted in changes of accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in Note 2(d) below. In accordance with the transition in SFRS(I) 9, comparative figures have not been restated.

2(b) Full convergence with SFRS(I) and adoption of new standards effective and not yet effective (Cont'd)

(c) SFRS(I) 9 (Cont'd)

The Group has assessed the impact to the consolidated financial statements. Loans and receivables accounted for at amortised cost under FRS 39 will continue to be accounted for using amortised cost model under SFRS(I) 9. There is no significant change to the measurement basis arising from adopting the new classification and measurement model or a significant increase in the impairment loss allowance.

(II) Issued but not yet effective

The following are the new or amended SFRS(I) and SFRS(I) INT issued in 2018 that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on)
SFRS(I) 16	Leases	1 January 2019
SFRS(I) INT 23	Uncertainty over Income Tax Treatments	1 January 2019
SFRS(I) 3	Amendments to SFRS(I) 3: Definition of a Business	1 January 2020
SFRS(I) 1-1, SFRS(I) 1-8	Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material	1 January 2020

SFRS(I) 16 Leases

SFRS(I) 16 Leases replaces accounting requirements introduced more than 30 years ago in accordance with FRS 17 Leases that are no longer considered fit for purpose, and is a major revision of the way in which companies where it is required lessees to recognise most leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with FRS 17. SFRS(I) 16 Leases will be effective for accounting periods beginning on or after 1 January 2019. Early adoption will be permitted, provided the Group has adopted SFRS(I) 15.

The Group has performed a preliminary assessment of the new standard on its existing operating lease arrangements as a lessee. Based on the preliminary assessment, the Group has operating leases for office space. The Group expects these operating leases to be recognised as right-of-use assets with corresponding lease liabilities under the new standard. Management does not plan to early adopt the above new SFRS(I) 16.

SFRS(I) INT 23 Uncertainty over Income Tax Treatments

The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in fact and circumstances. The Interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available.

SFRS(I) 3 Amendments to SFRS(I) 3: Definition of a Business

On 11 March 2019, ASC issued the narrow-scope amendments to SFRS(I) 3 Business Combinations to improve the definition of a business. The amendments narrowed and clarified the definition of a business.

They also permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets.

2(b) Full convergence with SFRS(I) and adoption of new standards effective and not yet effective (Cont'd)

(II) Issued but not yet effective (Cont'd)

SFRS(I) 3 Amendments to SFRS(I) 3: Definition of a Business (Cont'd)

The amendments to SFRS(I) 3 should apply for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning or after 1 January 2020, with earlier application permitted.

SFRS(I) 1-1, SFRS(I) 1-8 Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material

The amendments clarify that the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in SFRS(I) Standards. Materiality will depend on the nature or magnitude of information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary user.

The amendments to SFRS(I) 1-1 and SFRS(I) 1-8 are required to be applied for annual periods beginning on or after 1 January 2020. The amendments must be applied prospectively and earlier application is permitted.

2(c) Significant accounting estimates and judgements

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

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

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

Significant accounting estimates and judgements

Income tax (Note 22)

The Group has exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Determination of operating segments

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

2(c) Significant accounting estimates and judgements (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies

Valuation of loans from director and a former director

The determination of fair value of interest-free loans from directors at inception requires the Group to make assumptions and estimates regarding the discount. If the discount rate increases/decreases by 2%, the Group's loss for the year will increase/decrease by $69,200 (2018 - $70,280).

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Company held non-trade receivables from its subsidiaries of $26,799,000 (2018: $29,877,000; 1 April 2017: $5,586,000) as at the reporting date. These balances are amounts lent to subsidiaries to satisfy short term funding requirements. The impairment of the amounts due from subsidiaries is based on the expected loss model using general approach. The expected loss model used past, present and future information to estimate the expected credit loss. There is no allowance for impairment loss arising from these outstanding balances as the expected credit loss is not material.

Depreciation of property, plant and equipment (Note 4)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of property, plant and equipment to be within 2 to 75 years. In particular, management estimates the useful lives of plant and equipment to be 2 to 12 years. The estimation of useful lives is based on assumptions about wear and tear, ageing, changes in demand and the Group's historical experience with similar assets. The Group performs annual reviews on whether the assumptions made on useful lives continue to be valid. As changes in the expected level of usage, maintenance programmes and technological developments could affect the economic useful lives and the residual values of these assets, future depreciation charges could be revised. If depreciation on the Group's property, plant and equipment increases/decreases by 10% from management's estimates, the Group's loss for the year will increase/decrease by $47,200 (2018 - $44,600).

Valuation of non-current assets classified as held for sale (Note 11)

The Group's investment property classified as held for sale is stated at estimated fair value based on the valuation performed by independent professional valuers. The determination of the fair value of investment property requires the use of historical transaction comparables and estimates such as future cash flows from assets and capitalisation rates applicable to those assets. The carrying amount of investment property is disclosed in Note 11 to the financial statements. If the market value used to estimate the fair value of the investment property decreases/increases by 2% from management's estimates, the Group's loss for the year will decrease/increase by $Nil (2018 – $1,140,000).

Impairment tests for plant and equipment (Note 4)

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

2(c) Significant accounting estimates and judgements (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

Impairment tests for plant and equipment (Note 4) (Cont'd)

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 make an estimate of 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 utilisation of the assets, discount rates and other factors.

A decrease of 5% (31 March 2018 and 1 April 2017: 5%) in the value-in-use of the Group's plant and equipment would have decreased the Group's profit by $62,200 (31 March 2018: $32,900; 1 April 2017: $202,350). The carrying amounts of the Group's and the Company's plant and equipment are disclosed in Note 4 to the financial statements.

Impairment of investments in subsidiaries (Note 6)

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 in order to calculate the present value of the future cash flows.

At the reporting date, the carrying amounts of investments in subsidiaries are $Nil (31 March 2018: $265,000; 1 April 2017: $1,265,000). Management has evaluated the recoverability of the investment based on such estimates. If the present value of estimated future cash flows decreases by 10% (31 March 2018 and 1 April 2017: 10%) from management's estimates, the Company's allowance for impairment of investments in subsidiaries will increase by $Nil (31 March 2018: $26,500; 1 April 2017: $126,500).

Allowance for inventory obsolescence (Note 8)

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 are estimated based primarily on the latest invoice prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories.

If the net realisable values of the inventory decrease/ increase by 10% (31 March 2018 and 1 April 2017: 10%) from management's estimates, the Group's profit will decrease/ increase by $43,500 (31 March 2018: $44,300; 1 April 2017: $40,200). The carrying amounts of the Group's and the Company's inventory are disclosed in Note 8 to the financial statements.

Provision of reinstatement cost (Note 17)

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

The Group has recognised a provision for reinstatement of rental properties obligations associated with properties rented by the Company. 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 carrying amount of the provision as at 31 March 2019 was $429,000 (2018 - $424,000; 1 April 2017: $457,000). If the estimated pre-tax discount rate used in the calculation had been 1% higher than the management's estimates, the carrying amount of the provision would have been lower by $4,290 (2018 - $4,240; 1 April 2017: $4,570).

2(d) Summary of significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

2(d) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group. The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

Disposal

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS (I)). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under SFRS(I) 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2(d) Summary of significant accounting policies (Cont'd)

Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed utilising the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

Leasehold property	75 years
Motor vehicles	5 years
Beauty, slimming and spa equipment	4 to 12 years
Renovations	5 years
Furniture and office equipment	2 to 5 years

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment that has been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting period as a change in estimates.

Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation and are not occupied by the Group.

Investment properties are treated as non-current investments and are initially recognised at cost and subsequently carried at fair value, representing open market value determined on annual basis by independent professional valuers. Gross changes in fair values and the related tax impact are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is recognised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

2(d) Summary of significant accounting policies (Cont'd)

Investment properties (Cont'd)

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from the disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers

Transfers to, or from, investment properties are made when there is a change in use, evidenced by:

- commencement of owner occupation, for a transfer from investment properties to property, plant and equipment;
- commencement of development with a view to sell, for a transfer of investment properties to development properties; or
- end of owner occupation, for a transfer from property, plant and equipment to investment properties.

For transfer to investment properties from development properties for sale, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is measured at revalued amount and accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

Investment in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, only when the entity becomes party to the contractual provisions of the instruments.

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of financial assets that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Financial assets are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the financial assets do not contain a significant financing component at initial recognition.

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Initial recognition and measurement (Cont'd)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest" (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Subsequent measurement of debt instruments depends on the Group's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal and interest on the principal amount outstanding on the asset.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

The Group's financial assets at amortised cost include trade and other receivables, excluding prepayments.

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Fair value through other comprehensive income (debt instruments)

Financial assets that are held for collection of contractual of cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de- recognised.

The Group and the Company do not have any investments in fair value through other comprehensive income (debt instruments).

Financial assets designated at fair value through OCI (equity instruments)

The Group subsequently measures all equity instruments at fair value. On initial recognition of an equity instruments that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument-by-instrument basis. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognised in profit or loss. Changes in fair value of financial assets at FVOCI are recognised in OCI are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company did not elect to classify irrevocably its non-quoted equity investments under this category.

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Financial assets at fair value through profit and loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss statement in the period in which it arises. Interest income from these financial assets is included in the finance income.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investment which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity instruments are also recognised as other income in the statement of comprehensive income when the right of payment has been established.

The Group and the Company do not hold any financial assets at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Derecognition (Cont'd)

Continuing involvement that takes form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses as at the reporting date, the credit risk has not increased significantly since initial recognition. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The internal credit ratings have been mapped to external credit ratings determined by credit rating agencies such as Moody's and Fitch, so as to determine the appropriate expected credit loss rates.

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially at fair value less directly attributable transaction costs. The financial liabilities comprise trade and other payables, excluding deferred income.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SFRS(I) 9. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in SFRS (I) 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

The Group and the Company do not have financial liabilities at fair value through profit or loss.

Financial liabilities not carried at fair value through profit or loss

After initial recognition, financial liabilities that are not carried at fair value through profit or loss such as trade and other payables and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Borrowings which are due to be settled within 12 months after the end of the reporting period are included in current borrowings in the statement of financial position even though the original terms were for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period. Borrowings to be settled within the Group's operating cycle are classified as current. Other borrowings due to be settled more than twelve months after the end of the reporting period are included in non-current borrowings in the statement of financial position.

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(b) Financial liabilities (Cont'd)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis, and includes all costs in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits with financial institutions which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude restricted cash and fixed deposits pledged, and are presented net of bank overdraft which is repayable on demand and which forms an integral part of cash management.

Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter, the assets classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss. Property, plant and equipment once classified as held for sale are not depreciated.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2(d) Summary of significant accounting policies (Cont'd)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

<u>Provision for reinstatement cost</u>

The provision for reinstatement cost arose from the restoration work upon expiry of the lease of premise. The Group recognises the estimated costs of dismantlement, removal or restoration of items of plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

Financial guarantees

The Group has issued corporate guarantees to financial institutions for the borrowings of certain subsidiaries. These guarantees are financial guarantee contracts as they require the Group to reimburse the financial institutions if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts, if assessed to be material, are initially recognised at their fair values plus transaction costs in the statement of financial position.

Financial guarantee contracts are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless the Group has incurred an obligation to reimburse the financial institutions for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the financial institutions.

2(d) Summary of significant accounting policies (Cont'd)

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profit, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the articles of constitution of the Group grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Leases

Where the Group is the lessee,

Finance leases

Where assets are financed by lease agreements that give rights approximating to ownership, the assets are capitalised as if they have been purchased outright at values equivalent to the lower of the fair values of the leased assets and the present value of the total minimum lease payments during the periods of the leases. The corresponding lease commitments are included under liabilities. The excess of lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease to give a constant effective rate of charge on the remaining balance of the obligation.

The leased assets are depreciated on a straight-line basis over their estimated useful lives as detailed in the accounting policy on "property, plant and equipment".

Operating leases

Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the profit or loss when incurred.

Contingent rents are mainly determined as a percentage of revenue in excess of a specified amount during the month. They are charged to the profit or loss when incurred.

Where the Group is the lessor,

Operating leases

Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

2(d) Summary of significant accounting policies (Cont'd)

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Employee benefits

Short-term employee benefits

Short-term employee benefit obligations, including accumulated compensated absences, are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Defined contribution plans

A defined contribution plans is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to define contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

2(d) Summary of significant accounting policies (Cont'd)

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain management are considered key management personnel.

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Group or the Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Impairment of non-financial assets

The carrying amounts of the Company's and the Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

2(d) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of the reporting period.

A reversal of an impairment loss is recognised as income in profit or loss.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Group transfers good or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2(d) Summary of significant accounting policies (Cont'd)

Revenue recognition

Revenue for the Group comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of business, net of goods and services tax, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

<u>Sale of goods</u>

Revenue on the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer. Revenue is not recognised to the extent that there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

<u>Beauty, slimming and spa service treatments</u>

Revenue from beauty, slimming and spa treatments is recognised when services are rendered. Billed amounts for services which have not been rendered as at the end of the reporting period is recognised as deferred revenue and included in trade and other payables.

<u>Interest income</u>

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

<u>Rental income</u>

Rental income receivable under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease.

Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the asset.

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in SGD, which is also the functional currency of the Company.

2(d) Summary of significant accounting policies (Cont'd)

Conversion of foreign currencies

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing exchange rates at the end of the reporting period;
- Income and expenses for each statement presenting profit and loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the accumulated exchange differences in respect of that foreign operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

Operating segments

For management purposes, operating segments are organised based on their services which are independently managed by the respective segment managers (i.e. specialist medical practitioners) responsible for the performance of the respective segments under their charge. The segment managers are directly accountable to the Chief Executive Officer ("CEO") who regularly reviews the segment results in order to allocate resources to the segments and to assess segment performance.

Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares.

3 Revenue

Revenue for the Group represents net invoiced trading sales excluding inter-Group transactions and applicable goods and services tax.

		2019			2018	
	At a point in time	**Over time**	**Total**	At a point in time	Over time	Total
The Group	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000
Singapore						
Sales of goods	**4,466**	**-**	**4,466**	3,053	-	3,053
Beauty, slimming and spa service treatments	**-**	**2,943**	**2,943**	-	3,149	3,149
Rental income	**-**	**-**	**-**	-	1,551	1,551
Malaysia						
Sales of goods	**63**	**-**	**63**	83	-	83
Beauty, slimming and spa service treatments	**-**	**1,413**	**1,413**	-	1,268	1,268
Rental income	**-**	**-**	**-**	-	-	-
	4,529	**4,356**	**8,885**	3,136	5,968	9,104

4 Property, plant and equipment

The Group	Leasehold property $'000	Motor vehicles $'000	Beauty, slimming and spa equipment $'000	Renovations $'000	Furniture and office equipment $'000	Total $'000
Cost						
At 1 April 2017	3,268	527	4,156	4,609	2,396	14,956
Additions	-	-	67	142	51	260
Disposal	-	-	-	-	(66)	(66)
Write-off	-	-	-	(37)	(2)	(39)
Reclassified to non-current assets held for sale (Note 11)	(3,268)	-	-	-	-	(3,268)
Exchange differences	-	2	37	60	17	116
At 31 March 2018	-	529	4,260	4,774	2,396	11,959
Additions	**-**	**119**	**426**	**639**	**81**	**1,265**
Disposal	**-**	**(97)**	**-**	**(118)**	**-**	**(215)**
Exchange differences	**-**	**-**	**(6)**	**46**	**(26)**	**14**
At 31 March 2019	**-**	**551**	**4,680**	**5,341**	**2,451**	**13,023**
Accumulated depreciation/ impairment losses						
At 1 April 2017	313	290	3,707	4,393	2,206	10,909
Depreciation for the year	40	65	163	99	79	446
Disposal	-	-	-	-	(33)	(33)
Write-off	-	-	-	(8)	-	(8)
Impairment losses recognised	-	-	25	200	9	234
Reclassified to non-current assets held for sale (Note 11)	(353)	-	-	-	-	(353)
Exchange differences	-	2	36	55	13	106
At 31 March 2018	-	357	3,931	4,739	2,274	11,301
Depreciation for the year	**-**	**65**	**181**	**125**	**101**	**472**
Disposal	**-**	**(55)**	**-**	**(163)**	**-**	**(218)**
Impairment losses recognised	**-**	**-**	**290**	**-**	**11**	**301**
Exchange differences	**-**	**3**	**(32)**	**(11)**	**(37)**	**(77)**
At 31 March 2019	**-**	**370**	**4,370**	**4,690**	**2,349**	**11,779**
Net book value						
At 31 March 2019	**-**	**181**	**310**	**651**	**102**	**1,244**
At 31 March 2018	-	172	329	35	122	658
At 31 March 2017	2,955	237	449	216	190	4,047

4 Property, plant and equipment (Cont'd)

	Furniture and office equipment
The Company	$'000
Cost	
At 1 April 2017, 31 March 2018 and 31 March 2019	**1**
Accumulated depreciation	
At 1 April 2017, 31 March 2018 and 31 March 2019	**1**
Net book value	
At 31 March 2019	-
At 31 March 2018	-

(a) The carrying amount of motor vehicles held under finance lease arrangements (Note 14.1) for the Group as at 31 March 2019 amounted to $114,840 (2018 - $169,000).

(b) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $1,265,000 (2018 - $260,000) of which $70,680 (2018 - $Nil) was acquired by way of finance lease arrangement and $1,194,320 (2018 - $260,000) by cash. Additions to renovations include provision for reinstatement cost amounting to $30,662 (2018 - $Nil) (Note 17).

Impairment testing of property, plant and equipment

The Group has been incurring losses. The Group conducted an impairment test on the property, plant and equipment of its cash-generating units ("CGUs"). As a result of that test, the Group determined that the carrying values of certain of its assets exceeded their recoverable amounts as at the reporting date and recorded an impairment loss of $301,000 for the year ended 31 March 2019 (2018 - $234,000).

The recoverable amount of the cost of property, plant and equipment was based on the higher of fair value less costs to sell and value-in-use. The fair value less cost to sell is determined based on the fair values of each of the identified assets and liabilities of each CGU. The non-current assets approximated to their fair values based on market quotes for the vehicles. In the financial year ended 31 March 2019, the recoverable amount is assessed to be lower than the carrying amount and management has concluded that there is impairment.

5 Investment property

The Group	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
At beginning of year	**-**	57,000	57,176
Fair value loss on investment property	**-**	-	(176)
Reclassified to non-current assets held for sale (Note 11)	**-**	(57,000)	-
At end of year	**-**	-	57,000

The fair value of the investment property is determined by an independent firm of professional valuers who has appropriate recognised professional qualification and recent experience in the location and category of the investment property being valued. The fair value is based on the market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. The valuation is based on a direct comparison method which is checked against the income method.

Investment property is valued on a highest and best used basis. For the Group's investment property, the current use is considered to be the highest and best use.

During the year ended 31 March 2019, the leasehold property reclassified to assets held for sale was disposed off for a proceed of $64,800,000.

The details of the investment property held for sale by the Group are as follows:

Description and location	**Tenure**	**Approximate floor area (sq m)**	**Use of property**
A 4-storey refurnished shophouse development with mezzanine floor comprising 84 hotel rooms 48, 49, 50 Mosque Street Singapore 059526/27/28	99-year leasehold commencing 28 August 2002	1,883.0	Commercial

5 Investment property (Cont'd)

The following amounts are recognised in the Group's profit or loss:

The Group	**2019** **$'000**	2018 $'000
Rental income	**-**	1,551
Direct operating expenses	**-**	(22)
	-	1,529

All direct operating and other expenses arising from the investment property were borne, as per the rental agreement, by the related party of the Group

6 Subsidiaries

The Company	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Unquoted equity investments, at cost			
At beginning and end of year	**4,258**	4,258	4,258
Allowance for impairment losses			
At beginning of year	**(3,993)**	(2,993)	(814)
Allowance made	**(265)**	(1,000)	(2,179)
At end of year	**(4,258)**	(3,993)	(2,993)
Carrying amount	**-**	265	1,265

Impairment testing of investments in subsidiaries

During the financial year, management carried out a review of the recoverable amount of its subsidiaries and recognised an impairment loss of $265,000 (2018: $1,000,000) in respect of a subsidiary with recurring losses and a deficit in shareholder's equity.

As at 31 March 2019, the recoverable amount of subsidiaries was determined based on shareholder's equity of each subsidiary. The financials of the identified subsidiaries comprised mainly current assets and current liabilities with short term to maturity and approximated their fair values at year end. The carrying amount of the net assets, which approximated the fair value of the net assets, would be deemed as the recoverable amount of the subsidiaries. Based on management's evaluation, impairment is required for cost of investment since the recoverable amounts are lower than the carrying values at year end. Accordingly, the full impairment is recognised.

6 Subsidiaries (Cont'd)

Impairment testing of investments in subsidiaries (Cont'd)

Details of investments in subsidiaries are as follows:

Name	Country of incorporation/ principal place of business	Attributable to equity interest of the Group		Principal activities
		2019	2018	
Held by the Group				
Mary Chia Beauty & Slimming Specialist Pte Ltd [(1)]	Singapore	**100%**	100%	Provision of lifestyle and wellness treatment services
Mary Chia Beauty & Slimming Specialist (Orchard) Pte. Ltd. [(1)]	Singapore	**100%**	100%	Provision of lifestyle and wellness treatment services
Urban Homme Face and Body Studio For Men Pte. Ltd.[(1)]	Singapore	**100%**	100%	Provision of lifestyle and wellness treatment services for men
Spa Menu Pte. Ltd.[(1)]	Singapore	**100%**	100%	Provision of lifestyle and wellness treatment services and retailing of lifestyle and wellness products
Organica International Holdings Pte. Ltd. [(1)]	Singapore	**100%**	100%	Direct selling of skincare and health supplements
Hotel Culture Pte. Ltd. [(1)]	Singapore	**51%**	51%	Investment holding
MCU Trading Pte. Ltd. [(1)]	Singapore	**100%**	100%	General wholesale trading
MCU Holdings Sdn. Bhd. [(2)]	Malaysia	**100%**	100%	Provision of lifestyle and wellness treatment services
Held by Mary Chia Beauty &Slimming Specialist Pte. Ltd.				
Scinn Pte. Ltd. [(1)]	Singapore	**100%**	70%	Clinic and other general medical services
MSB Beauty Pte. Ltd. [(5)]	Singapore	**51%**	51%	Provision of lifestyle and wellness treatment services

6 Investments in subsidiaries (Cont'd)

Name	Country of incorporation/ principal place of business	Attributable to equity interest of the Group		Principal activities
		2019	2018	
Held by Organica International Holdings Pte Ltd.				
Organica International (M) Sdn. Bhd. [2]	Malaysia	**100%**	100%	Direct selling of skincare and health supplements
Organica Taiwan Branch [4]	Taiwan	**100%**	-	Direct selling of skincare andhealth supplements
Held by MCU Trading Pte. Ltd.				
Yue You International Trading(Shanghai) Co. Ltd [3]	China	**100%**	100%	General wholesale trading
Held by MCU Holdings Sdn. Bhd.				
MCU Beautitudes Sdn Bhd [2]	Malaysia	**100%**	100%	Provision of lifestyle and wellness treatment services

(1) Audited by Foo Kon Tan LLP, principal member firm of HLB International in Singapore.
(2) Audited by HLB Ler Lum, member firm of HLB International in Malaysia.
(3) Audited by Foo Kon Tan LLP for consolidation purposes.
(4) Audited by HLB Candor Taiwan CPAs, member firm of HLB International in Taiwan.
(5) Not required to be audited as it is under liquidation.

Summarised financial information in respect of Group subsidiaries that have a material non-controlling interest (NCI) is set out below:

Name of subsidiary	Country of incorporation/ principal place of business	Proportion of ownership interests and voting rights held by non-controlling interest		Profit allocated to non-controlling interest		Accumulated non-controlling interest	
		2019	2018	**FY2019**	FY2018	**2019**	2018
				$'000	$'000	**$'000**	$'000
Hotel Culture Pte. Ltd.	Singapore	**49%**	49%	**2,379**	487	**1,566**	(819)
Scinn Pte. Ltd.	Singapore	**-**	30%	**-**	(193)	**-**	(211)
MSB Beauty Pte. Ltd.	Singapore	**49%**	49%	**-**	(6)	**(53)**	(53)
				2,379	288	**1,513**	(1,083)

6 Investments in subsidiaries (Cont'd)

Summarised financial information, before inter-company eliminations, in respect of Group's subsidiaries that have a material non-controlling interest (NCI) is set out below:

	Hotel Culture Pte Ltd	
	2019	2018
	$'000	$'000
Summarised statement of comprehensive income		
Revenue	**-**	1,780
Profit/(Loss) for the year and total comprehensive income	**4,856**	9,396
Profit/(loss) for the year representing total comprehensive income		
- attributable to equity holders of the Group	**2,477**	8,909
- attributable to NCI	**2,379**	487
	4,856	9,396
Summarised statement of financial position		
Current		
Assets	**14,334**	88,039
Liabilities	**(16,314)**	(84,891)
Net current assets/(liabilities)	**(1,980)**	3,148
Non-Current		
Assets	**-**	-
Liabilities	**-**	-
Net non-current assets/(liabilities)	**-**	-
Equity		
Equity attributable to equity holders of the Group	**(3,546)**	3,967
Non-controlling interest	**1,566**	(819)
	(1,980)	3,148
Other summarised information		
Cash flows from operating activities	**(35,458)**	1,734
Cash flows from investing activities	**64,800**	(9,209)
Cash flows from financing activities	**(28,913)**	7,469
Net increase / (decrease) in cash and cash equivalents	**429**	(6)

** denotes amount less than $1,000*

6 Investments in subsidiaries (Cont'd)

Acquisition of non-controlling interests

The following schedule shows the effects of changes in the Group's ownership interest in a subsidiary; SCINN that did not result in change of control, on the equity attributable to owners of the parent.

	2019
	$'000
Amount paid on changes in ownership interest in a subsidiary	(182)
Non-controlling interest acquired	(217)
Difference recognised in capital reserves	(399)

In the financial year ended 31 March 2019, the Group acquired an additional 225,000 new ordinary shares issued by SCINN and increased its equity ownership in the subsidiary from 70% to 100%. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. The decrease in the NCI share of $399,000 is charged to capital reserve.

7 Other assets

		The Group			**The Company**	
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Current						
Prepayments	**488**	206	135	**7**	8	4
Deposits	**790**	301	867	**-**	-	-
	1,278	507	1,002	**7**	8	4
Non-current						
Deposits	**123**	645	386	**-**	-	-

Deposits relate to rental deposits paid for the Group's offices and operating outlets.

8 Inventories

		The Group			**The Company**	
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Products held for sale, at cost	**435**	443	402	**-**	-	-

The carrying amount of inventories sold and recognised as an expense in the consolidated statement of comprehensive income was $637,000 (2018 - $396,000) for the financial year ended 31 March 2019.

9 Trade and other receivables

	The Group			The Company		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Trade receivables	**304**	243	354	**2**	2	2
Allowance for impairment losses	**(167)**	(160)	(18)	**-**	-	-
	137	83	336	**2**	2	2
Other receivables:						
Amounts due from related parties	**-**	43	-	**-**	-	-
GST receivables	**15**	24	16	**2**	3	2
Amounts due from Subsidiaries (non-trade)	**-**	-	-	**26,799**	29,877	5,586
Amounts due from related Companies	**42**	-	-	-	-	-
Sundry receivables	**179**	136	74	**2**	-	-
	236	203	90	**26,803**	29,880	5,588
Allowance for impairment losses	**-**	(93)	(40)	**(18,094)**	(4,658)	(4,658)
	236	110	50	**8,709**	25,222	930
	373	193	386	**8,711**	25,224	932

The movement in allowance for impairment losses in respect of receivables is as follows:

	The Group		The Company	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
At 1 April	**253**	58	**4,658**	4,658
Allowance made	**167**	195	**13,436**	-
Reversal of impairment during the year	**(253)**	-	**-**	-
At 31 March	**167**	253	**18,094**	4,658
Trade receivables	**167**	160	**-**	-
Other receivables	**-**	93	**18,094**	4,658
	167	253	**18,094**	4,658

Amounts due from related parties are non-trade in nature, unsecured, interest-free and repayable on demand.

Receivables that have been determined to be impaired at the end of the reporting period relate to debtors that are in financial difficulties or have defaulted on payments. These trade receivables are not secured by any collateral or credit enhancements.

9 Trade and other receivables (Cont'd)

During the year ended 31 March 2019, the Company has assessed and decided to impair the amount due from subsidiaries of $13,436,000 (2018 - $Nil) as these balance are not recoverable.

Trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Singapore dollar	**310**	131	**8,711**	25,224
Malaysian ringgit	**63**	62	**-**	-
	373	193	**8,711**	25,224

The credit risk for trade and other receivables based on the information provided to key management is as follows:

	31 March	31 March	1 April
	2019	2018	2017
The Group	**$'000**	$'000	$'000
By geographical area			
Singapore	**310**	130	328
Malaysia	**63**	63	58
	373	193	386

	31 March	31 March	1 April
	2019	2018	2017
The Company	**$'000**	$'000	$'000
By geographical area			
Singapore	**8,711**	25,224	932
	8,711	25,224	932

The ageing analysis of trade receivables is as follows:

	Gross	**Impairment losses**	Gross	Impairment losses
	2019	**2019**	2018	2018
The Group	**$'000**	**$'000**	$'000	$'000
Not past due	**65**	**-**	69	-
Past due 0 to 90 days	**66**	**-**	5	-
Past due 91 to 182 days	**-**	**-**	-	-
Past due 183 to 365 days	**-**	**-**	-	-
Past due over 365 days	**173**	**(167)**	169	(160)
	304	**(167)**	243	(160)

9 Trade and other receivables (Cont'd)

Except as disclosed, the Group believes that no further impairment allowance is necessary in respect of trade receivables.

The Company	**Gross 2019 $'000**	**Impairment losses 2019 $'000**	Gross 2018 $'000	Impairment losses 2018 $'000
Not past due	**-**	**-**	-	-
Past due 0 to 90 days	**-**	**-**	-	-
Past due 91 to 182 days	**-**	**-**	-	-
Past due 183 to 365 days	**-**	**-**	-	-
Past due over 365 days	**2**	**-**	2	-
	2	**-**	2	-

10 Cash and cash equivalents

	The Group			**The Company**		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Cash and bank balances	**3,571**	680	707	**2,177**	3	*
Fixed deposits	**502**	60	60	**-**	-	-
	4,073	740	767	**2,177**	3	-

The fixed deposits at the balance sheet date have a maturity of approximately 2 months (2018 - 3 months) from the end of the financial year and earned effective interest at the rate of approximately 0.6% (2018 - 0.35%) per annum.

Cash and cash equivalents are denominated in the following currencies:

	The Group			**The Company**		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Singapore dollar	**3,610**	674	700	**2,177**	3	*
Taiwan dollar	**442**	-	-	**-**	-	-
Chines renminbi	*****	-	-	**-**	-	-
Malaysian ringgit	**21**	66	67	**-**	-	-
	4,073	740	767	**2,177**	3	*

10 Cash and cash equivalents (Cont'd)

For the purpose of presenting the consolidated statement of cash flows, consolidated cash and cash equivalents comprise the following:

The Group	**2019** **$'000**	2018 $'000
Cash and cash equivalents as above	**4,073**	740
Bank overdraft (Notes 14.4)	**-**	(51)
Restricted cash	**(502)**	(502)
Fixed deposits	**(441)**	-
Fixed deposits pledged for rental arrangement	**(61)**	(60)
	3,069	127

** denotes amount less than $1,000*

11 Assets held for sale

On 1 March 2018, a subsidiary, Hotel Culture Pte. Ltd., entered into an agreement to dispose of its property to an entity controlled by the non-controlling interest of that subsidiary for a consideration of $64,800,000.

Part of this property is leased to earn rental and the remaining floor area is for own use. Accordingly, this property with a carrying value of $59,915,000 have been reclassified as assets held for sale in the statement of financial position as at 31 March 2018. The sale of the properties was completed on 7 May 2018.

12 Share capital

	31 March 2019	31 March 2018	1 April 2017	**31 March 2019**	31 March 2018	1 April 2017
The Company		**No. of ordinary shares**		**$'000**	$'000	$'000
Issued and fully paid, with no par value	**163,495,140**	163,495,140	163,495,140	**4,818**	4,818	4,818

The holders of ordinary shares are entitled to receive dividends as and when declared from time to time and are entitled to one vote per share at the meetings of the Group. All shares rank equally with regard to the Company's residual assets.

13 Reserves

	The Group			The Company		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Merger reserve	**(927)**	(927)	(927)	**-**	-	-
Capital reserve	**(399)**	-	-	**-**	-	-
Foreign currency translation reserve	**(316)**	7	122	**-**	-	-
Retained earnings / (accumulated losses)	**(7,978)**	(5,026)	470	**(4,786)**	9,699	(9,988)
	(9,620)	(5,946)	(335)	**(4,786)**	9,699	(9,988)

Merger reserve

Merger reserve represents the difference between the value of shares issued by the Group in exchange for the value of shares acquired in respect of the acquisition of subsidiaries accounted for under the pooling-of-interests method.

Foreign currency translation reserve

Foreign currency translation reserve arises from the translation of financial statements of foreign entities whose functional currencies are different from the Group's presentation currency.

Capital reserve

Capital reserve also represented the difference between consideration paid and the adjustment to non-controlling interest arising from changes in Group's interest in a subsidiary that do not result in a loss of control which are accounted for as transaction with owners.

14 Borrowings

	The Group			The Company		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Non-current						
Obligations under finance leases (Note 14.2)	**150**	154	206	**-**	-	-
Loans from financial institutions (Note 14.3)	**-**	-	22,272	**-**	-	-
	150	154	22,478	**-**	-	-
Current						
Obligations under finance leases (Note 14.2)	**43**	53	74	**-**	-	-
Loans from financial institutions (Note 14.3)	**-**	28,944	6,615	**-**	31	230
Bank overdraft (Note 14.4)	**-**	51	100	**-**	-	-
	43	29,048	6,789	**-**	31	230
	193	29,202	29,267	**-**	31	230

14 Borrowings (Cont'd)

14.1 Carrying amounts and fair values

The carrying amounts and fair values of borrowings at the end of the reporting period are as follows:

The Group	**2019** Carrying amount $'000	**2019** Fair value $'000	2018 Carrying amount $'000	2018 Fair value $'000
Obligations under finance leases	**193**	**213**	207	234
Bank loans	**-**	**-**	28,944	28,353
	193	**213**	29,151	28,587

The Company	**2019** Carrying amount $'000	**2019** Fair value $'000	2018 Carrying amount $'000	2018 Fair value $'000
Bank loans	**-**	**-**	31	29

The fair values are determined from the discounted cash flow analysis, using the discount rates based upon the borrowing rates which the directors expect would be available to the Group at the end of the reporting period, as follows:

	The Group **2019** %	The Group 2018 %	The Company **2019** %	The Company 2018 %
Obligations under finance leases	**4.25**	4.8	**-**	3.5
Bank loans	**-**	3.14	**-**	-
Loan from related party	**5.25**	-	**-**	-

No adjustment has been made to fair values as the differences between the carrying amounts and fair values are not significant to the Group and the Company.

Refer to Note 25 for details of foreign currency risk, liquidity risk and interest rate risk exposures.

14 Borrowings (Cont'd)

14.2 Obligations under finance leases

The Group has acquired certain property, plant and equipment under finance leases. These leases have no terms of renewal, purchase options and escalation clauses. The interest rate implicit in the leases ranges from 1.93% to 5.97% (2018 - 1.93 % to 7.08%) per annum. Future minimum lease payments under the finance lease arrangements together with the present values of the net minimum lease payments are as follows:

The Group	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Minimum lease payments payable:			
No later than one year	**51**	61	85
Later than one year and not later than five years	**146**	156	200
Later than five years	**19**	10	26
	216	227	311
Less: Finance charges allocated to future years	**(23)**	(20)	(31)
Present value of minimum lease payments	**193**	207	280
Present value of minimum lease payments:			
No later than one year	**43**	53	74
Later than one year and not later than five years	**131**	144	182
Later than five years	**19**	10	24
	150	154	206
	193	207	280

Finance lease liabilities are secured by certain property, plant and equipment of the Group (see Note 4), several personal guarantees from a director of the Company, namely Ms Ho Yow Ping (He YouPing), and corporate guarantee by the Company.

14 Borrowings (Cont'd)

14.3 Loans from financial institutions

	The Group			The Company		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Repayable:						
Current						
No later than one year	**-**	28,944	6,615	**-**	31	230
Non-current						
Later than one year and no later than five years	**-**	-	5,907	**-**	-	-
Later than five years	**-**	-	16,365	**-**	-	-
	-	-	22,272	**-**	-	-
	-	28,944	28,887	**-**	31	230
Current						
Term loans	**-**	3,118	417	**-**	31	230
Amalgamated term loan	**-**	19,309	1,167	**-**	-	-
Revolving working capital loans	**-**	6,517	5,031	**-**	-	-
	-	28,944	6,615	**-**	31	230
Non-Current						
Term loans	**-**	-	3,091	**-**	-	-
Amalgamated term loan	**-**	-	19,181	**-**	-	-
	-	-	22,272	**-**	-	-

Term loans

The term loans have weighted average interest rate of Nil % (2018 - 2.95%) per annum and are repayable on monthly instalment and secured by the investment property and leasehold property (the "Properties") of the Group.

The Company had a loan of $31,000 due by 1 January 2018 remained unpaid as at 31 March 2018. This loan was settled on 4th April 2018.

Amalgamated term loan

The loan bears interest at Nil % (2018 - 2.95%) per annum.

The amalgamated loan is secured by the properties, fixed and floating charges on personal properties associated with the Properties, existing deed of proportionate guarantee from a non-controlling interest of a subsidiary, and a corporate guarantee from the Company.

Revolving working capital loans

Revolving working capital loans bear interest at rates at Nil % (2018 – 3.13%) per annum. The loans are repayable on monthly instalment, and are secured by the properties, and a corporate guarantee from the Company.

14 Borrowings (Cont'd)

14.4 Bank overdraft

Bank overdraft is secured by the following:

(i) personal guarantee from a director of the Group;
(ii) corporate guarantee from the Group; and
(iii) negative pledge over all assets of a subsidiary.

At the reporting date, bank overdraft bore interest at Nil % (2018 - 8.85%) per annum over the prevailing prime rate of the bank.

15 Trade and other payables

	The Group			The Company		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Current						
Trade payables - third parties	**2,628**	3,345	2,858	**71**	250	152
Amounts due to subsidiaries (non-trade)	**-**	-	-	**10,650**	8,245	6,732
Amounts due to related parties (non-trade)	**138**	382	77	**1**	2,201	-
Loan from former director	**3,242**	2,200	-	**-**	-	-
Amount due to non-controlling interest of a subsidiary (non-trade)	**-**	350	-	**-**	-	-
Dividend payable to non-controlling interest of a subsidiary	**-**	20,580	-	**-**	-	-
Goods and services tax payable	**53**	91	101	**-**	-	-
Deposit for sale of property	**-**	648	-	**-**	-	-
Other deposits	**3**	2	253	**-**	-	-
Accrued operating expenses	**1,524**	2,048	1,560	**141**	256	257
	7,588	29,646	4,849	**10,863**	10,952	7,141
Non-current						
Amounts due to director	-	-	-	-	-	-
Loans	**40**	742	966	**-**	-	-
Accrued salaries	**-**	705	436	**-**	-	-
	40	1,447	1,402	**-**	-	-
Former director (Former Shareholder)						
Loans	**178**	572	836	**-**	-	-
Accrued salaries	**-**	1,351	1,223	**-**	-	-
	120	1,923	2,059	**-**	-	-
Total amounts due to director/former director	**160**	3,370	3,461	**-**	-	-
	218	3,370	3,461	**-**	-	-

15 Trade and other payables (Cont'd)

Amounts due to related parties (non-trade)

Amounts due to subsidiaries, related parties and non-controlling interest of a subsidiary are unsecured, interest free and repayable on demand.

Related parties refer to the director of the Group and non-controlling interest of subsidiaries.

Trade and other payables, excluding deferred revenue and deposit for sale of property, are denominated in the following currencies:

	The Group			The Company		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Singapore dollar	**5,393**	29,724	7,259	**10,863**	10,952	7,141
Malaysian ringgit	**2,294**	3,289	1,051	**-**	-	-
Chinese renminbi	**119**	3	-	**-**	-	-
New Taiwan dollar	*****	-	-	**-**	-	-
	7,806	33,016	8,310	**10,863**	10,952	7,141

Amounts due to director/former director

During the financial year ended 31 March 2018, Ms Mary Chia Ah Tow ceased to be a director and a shareholder of the Company following the shares disposal. The director is also a shareholder of the Company.

The director and the former director have provided an undertaking not to demand repayment of the unsecured and non-interest bearing amounts due from the Group within the next 36 months from 31 March 2017 or until the cash flows of the Group permits, whichever is later. Non-current amounts due to director and former director are unsecured, interest-free and denominated in Singapore dollars.

Current loan from former director is unsecured, interest-free and denominated in Singapore dollars.

16 Contract liabilities

	The Group			The Company		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Fees received, represented as:						
Current liabilities	**2,365**	2,474	1,996	**-**	-	-

Contract liabilities represent services for beauty, slimming and spa treatments which have not been rendered as at the end of reporting period.

17 Provision

Movements in provision for loans from directors are as follows:

	2019 $'000	2018 $'000
At beginning of the year	**424**	457
Unwinding of interest	**5**	(33)
At end of the year	**429**	424

Provision for reinstatement cost is denominated in Singapore Dollar.

	The Group			The Company		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Presented as:						
Current	**256**	150	262	**-**	-	-
Non-current	**173**	274	195	**-**	-	-
	429	424	457	**-**	-	-

Provision relates to estimated costs of dismantlement, removal or reinstatement of property, plant and equipment arising from the acquisition or use of assets, which are capitalised and included in the cost of property, plant and equipment.

18 Other operating income

The Group	2019 $'000	2018 $'000
Gain on disposal of investment property	**4,885**	-
Fair value adjustment to interest-free loans	**-**	246
Government grants	**124**	124
Sundry income	**58**	75
Other income	**9**	-
Gain on foreign exchange (realised)	**24**	-
	5,100	445

19 Staff costs

The Group	2019 $'000	2018 $'000
Salaries, wages, commissions and bonuses	**5,140**	5,122
Contributions to defined contribution plans	**530**	577
Foreign Worker Levy and Skill Development Levy	**198**	113
Other staff benefits	**19**	1
	5,887	5,813

20 Other operating expenses

The Group	**2019 $'000**	2018 $'000
Audit fees paid/payable to:		
- Auditors of the Group	**129**	108
- Other auditors	**-**	7
Advertising and marketing expenses	**349**	147
Bad debts written off		
- Trade receivables	**97**	124
- Other receivables	**-**	47
Bank charges	**25**	219
C.C & NETS service fee	**136**	-
Consultation fee	**121**	38
Dinner and dance expenses	**9**	15
Exhibition expenses	**1**	18
Fines and late payment interest	**106**	246
Final award under arbitration processing	**-**	580
Foreign exchange loss	**-**	15
Impairment loss on property, plant and equipment	**301**	234
Insurance	**31**	33
Internet and networking charges	**16**	33
Legal and professional fees	**456**	575
Listing related expenses	**15**	80
Loss on disposal of property, plant and equipment	**-**	26
Management fee	**286**	-
Member incentives	**539**	183
Property, plant and equipment written off	**-**	31
Printing and stationery	**17**	19
(Reversal of) / Impairment loss on trade receivables	**(86)**	142
Impairment loss on other receivables	**-**	53
Recruitment expenses	**17**	4
Repair and maintenance expenses	**262**	378
Staff training	**29**	45
Telephone, fax and email expenses	**30**	46
Utilities	**87**	160
Other operating expenses	**1,485**	213
	4,458	3,819

21 Finance costs

The Group	**2019** **$'000**	2018 $'000
Interest expenses:		
- Bank overdraft	**1**	8
- Loans	**-**	1,020
- Finance lease liabilities	**1**	11
- Hire purchase interest expense	**8**	-
- Provision for reinstatement cost	**5**	-
- Changes in fair value on amount due to a former director	**91**	-
	106	1,039

22 Income tax expense

The Group	**2019** **$'000**	2018 $'000
Current taxation		
- current year	**-**	164
- adjustment for prior years	**-**	(69)
	-	95
Deferred taxation		
- origination and reversal of temporary differences	**-**	-
	-	-
Total taxation	**-**	95

Reconciliation of effective tax rate

The Group	**2019** **$'000**	2018 $'000
Loss before taxation	**(202)**	(5,467)
Tax at statutory rate of 17% (2018 - 17%)	**(34)**	(929)
Effect of different tax rates in another country	**18**	(22)
Tax effect on non-deductible expenses	**716**	188
Tax effect on non-taxable income	**(830)**	(45)
Tax exemption and rebate	**-**	(36)
Deferred tax assets on temporary difference not recognised	**130**	1,008
Adjustment for prior years	**-**	(69)
	-	95

22 Income tax expense (Cont'd)

Reconciliation of effective tax rate (Cont'd)

As at the end of the reporting period, the Group had estimated unutilised tax losses amounting to approximately $21,036,000 (2018 - $20,268,000) that are available for offset against future taxable profits of the Group. The unutilised tax losses have no expiry dates. The use of these unutilised tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation. The deferred tax assets arising from these unutilised tax losses of approximately $3,576,000 (2018 - $3,446,000) have not been recognised in the financial statements due to the uncertainty whether future taxable profits will be available against which the Group can utilise the benefits.

23 Loss per share

The Group	**2019**	2018
Loss attributable to equity holders of the Company ($'000)	**(2,581)**	(5,850)
Weighted average number of ordinary shares in issue for basic earnings per share	**163,495,140**	163,495,140
Basic and diluted loss per share (cents)	**(1.58)**	(3.58)

24 Significant related party transactions

Related party transactions

Other than as disclosed elsewhere in the financial statements, there were no other transactions with related parties during the financial year.

Key management personnel compensations

The fees and remuneration of the directors of the Group, who are the key management personnel of the Group, are as follows:

The Group	**2019 $'000**	2018 $'000
Directors' fees	**58**	117
Salaries and other short-term employee benefits	**300**	318
Contributions to defined contribution plans	**12**	13
	312	331

25 Financial risk management

The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Company's and the Group's financial performance. The key financial risks include foreign currency risk, credit risk, market price risk, interest rate risk, liquidity risk and cash flow risk. The Company's and the Group's overall risk management strategy seeks to minimise adverse effects from these financial risks on the Company's and the Group's financial performance. The Company's and the Group's overall risk management policy is to ensure adequate financial resources are available for the development of the Company's and the Group's business whilst managing the risk.

The Company's and the Group's risk management is carried out by the board of directors. The Company and the Group do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

There has been no change to the Company's and the Group's exposure to these financial risks and the manner in which they manage and measure the risks.

The carrying amounts of financial assets and financial liabilities at the reporting are as follows:

	The Group			**The Company**		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Financial assets at amortised cost						
Trade and other receivables#	**358**	169	370	**8,709**	25,221	930
Other assets#	**913**	946	1,253	**-**	-	-
Cash and cash equivalents	**4,073**	740	767	**2,177**	3	-
	5,344	1,855	2,390	**10,886**	25,224	930
Financial liabilities at amortised cost						
Trade and other payables##	**7,535**	29,555	4,748	**10,863**	10,952	7,141
Borrowings	**-**	-	-	**-**	31	230
Loans from financial institutions	**-**	28,944	28,887	**-**	-	-
Obligations under finance leases	**193**	207	280	**-**	-	-
Bank overdraft	**-**	51	100	**-**	-	-
	7,728	58,757	34,015	**10,863**	10,983	7,371

Exclude goods and services tax and prepayments

Exclude goods and services tax

25 Financial risk management (Cont'd)

Credit risk

Credit risk refers to the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group or the Company to incur a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual growth while minimising losses arising from credit risk exposure. For trade and other receivables, the Group adopts the policy of dealing only with borrowers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. The Group closely monitors and avoids any significant concentration of credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure including the default risk of the individual obligor, security risk and market/industry risk.

Credit policies are formulated covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

All credit facilities, including those that require collateral, require the approval by management as appropriate. All collateral assets must be tangible and accessible or marketable in Singapore or a reputable market.

The Group has in place a monitoring system to identify early symptoms of problematic loan accounts. A risk grading system is used in determining where impairment provisions may be required against specific credit exposures. Risk grades are subject to regular reviews and credit exposures take into consideration of stress testing of the fair value of collateral and other security enhancements held against the loans and advances.

The Group's significant exposure to credit risk arises from trade and other receivables. Credit exposure to an individual counterparty is restricted by credit limits that are approved by the credit committee based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored by the respective management and the credit committee.

Corporate guarantees

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. The maximum exposure of the Company in respect of the intra-group financial guarantees (see Note 27) at the reporting date is if the facility is drawn down by the subsidiary in the amount of $Nil (2018 - $15,039,000). At the reporting date, the Group has considered it is not probable that a claim will be made against the Company under the intra-group financial guarantees.

25 Financial risk management (Cont'd)

Credit risk (Cont'd)

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as follows:

The Group	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Financial assets			
Trade and other receivables#	**358**	169	370
Other assets#	**913**	946	1,253
Cash and cash equivalents	**4,073**	740	767
	5,344	1,855	2,390

The Company	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Financial assets			
Trade and other receivables#	**8,709**	25,221	930
Cash and cash equivalents	**2,177**	3	-
	10,886	25,224	930

Exclude goods and services tax and prepayments

The Group's and the Company's major classes of financial assets are trade and other receivables (excluding goods and service tax and prepayments), other assets and cash and bank balances.

25 Financial risk management (Cont'd)

Credit risk (Cont'd)

Exposure to credit risk (Cont'd)

The tables below detail the credit quality of the Group's and the Company's financial statements and other items, as well as maximum exposure to credit risk by credit risk rating grades:

The Group **At 31 March 2019**	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Trade and other receivables#	**(1)**	**Lifetime ECL**	**525**	**(167)**	**358**
Other assets#	**(2)**	**12 months ECL**	**913**	**-**	**913**
Cash and cash equivalents	**(2)**	**12 months ECL**	**4,073**	**-**	**4,073**
			5,511	**(167)**	**5,344**

The Group At 31 March 2018	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Trade and other receivables#	(1)	Lifetime ECL	422	(253)	169
Other assets#	(2)	12 months ECL	946	-	946
Cash and cash equivalents	(2)	12 months ECL	740	-	740
			2,108	(253)	1,855

The Group At 1 April 2017	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Trade and other receivables#	(1)	Lifetime ECL	428	(58)	370
Other assets#	(2)	12 months ECL	1,253	-	1,253
Cash and cash equivalents	(2)	12 months ECL	767	-	767
			2,448	(58)	2,390

Exclude goods and services tax and prepayments

25 Financial risk management (Cont'd)

Credit risk (Cont'd)

Exposure to credit risk (Cont'd)

The Company **At 31 March 2019**	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Trade and other receivables#	**(1)**	**Lifetime ECL**	**26,803**	**(18,094)**	**8,709**
Cash and cash equivalents	**(2)**	**12 months ECL**	**2,177**	**-**	**2,177**
			28,980	**(18,094)**	**10,886**

The Company At 31 March 2018	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Trade and other receivables#	(1)	Lifetime ECL	29,879	(4,658)	25,221
Cash and cash equivalents	(2)	12 months ECL	3	-	3
			29,882	(4,658)	25,224

The Company At 1 April 2017	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Trade and other receivables#	(1)	Lifetime ECL	5,588	(4,658)	930
Cash and cash equivalents	(2)	12 months ECL	-	-	-
			5,588	(4,658)	930

Exclude goods and services tax and prepayments

25 Financial risk management (Cont'd)

Credit risk (Cont'd)

(1) Trade and other receivables

The Company and the Group apply the SFRS(I) 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade and other receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical credit loss experiences. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company and the Group have identified the Gross Domestic Product of Singapore, the country in which it operates to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables relate to the collection of payment from customers. The credit risks relating to balances pending payment from customers are not deemed to be significant based on the external credit ratings of the counterparties.

Trade receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net impairment losses within other operating expenses. Subsequent recoveries of amounts previously written off are credited against the same line item. The closing loss allowances for trade receivables as at the reporting date reconcile to the opening loss allowances are disclosed in Note 9.

(2) Other assets

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy companies or individuals with a good payment record with the Group and the Company. Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings and no history of default.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired except for trade and other receivables.

Cash and cash equivalents

Cash is placed with financial institutions which are regulated and have good credit ratings. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

25 Financial risk management (Cont'd)

Credit risk (Cont'd)

Impairment of trade and other receivables as at 31 March and 1 April 2019

Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment. The Company and the Group considered that there was evidence of impairment if any of the following indicators were present:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or late payments.

Receivables for which an impairment provision was recognised were written off against the provision when there was not expectation of recovering additional cash.

An ageing analysis of trade receivables (gross before impairment losses) at the reporting date is as follows:

The credit risk for trade and other receivables based on the information provided to the key management is as follows:

	The Group			**The Company**		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Not past due	**65**	69	154	**-**	-	-
Past due 0 to 90 days	**66**	5	23	**-**	-	-
Past due 91 to 182 days	**-**	-	-	**-**	-	-
Past due 183 to 365 days	**-**	-	-	**-**	-	-
Past due over 365 days	**173**	169	177	**2**	2	2
	304	243	354	**2**	2	2

An ageing analysis of amounts due from subsidiaries (gross before impairment losses) at the reporting date is as follows:

The Company	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Not past due	**26,799**	29,877	5,586
Past due 0 to 90 days	**-**	-	-
Past due 91 to 182 days	**-**	-	-
Past due 183 to 365 days	**-**	-	-
Past due over 365 days	**-**	-	-
	26,799	29,877	5,586

25 Financial risk management (Cont'd)

Liquidity risk

Liquidity or funding risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's objective is to maintain a balance between continuity of funding and flexibility through amounts due to related parties, obligations under finance leases, cash and short-term deposits. To ensure the continuity of funding for the Group's operations, the Group obtains short-term funding from reputable financial institutions.

The Group has obtained written continuing financial support from the holding company to meet its liabilities and normal operating expenses to be incurred.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows.

The Group	Carrying amount $'000	Contractual cash flows $'000	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000
31 March 2019					
Trade and other payables##	**7,753**	**7,753**	**7,535**	**218**	**-**
Obligations under finance leases	**193**	**216**	**51**	**146**	**19**
	7,946	**7,969**	**7,586**	**364**	**19**
31 March 2018					
Trade and other payables##	11,697	11,697	8,327	3,370	-
Obligations under finance leases	207	227	61	156	10
Loans from financial institutions	28,944	29,011	29,011	-	-
Bank overdraft	51	51	51	-	-
Dividend payable	20,580	20,580	20,580	-	-
	61,479	61,566	58,030	3,526	10
1 April 2017					
Trade and other payables#	8,209	8,209	4,748	3,461	-
Obligations under finance leases	280	311	85	200	26
Loans from financial institutions	28,887	35,023	7,446	8,575	19,002
Bank overdraft	100	100	100	-	-
Dividend payable	-	-	-	-	-
	37,476	43,643	12,379	12,236	19,028

25 Financial risk management (Cont'd)

Liquidity risk (Cont'd)

The Company	Carrying amount $'000	Contractual cash flows $'000	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000
31 March 2019					
Trade and other payables##	**10,863**	**10,863**	**10,863**	**-**	**-**
Financial corporate guarantees	**-**	**-**	**-**	**-**	**-**
Loans from financial institutions	**-**	**-**	**-**	**-**	**-**
	10,863	**10,863**	**10,863**	**-**	**-**
31 March 2018					
Trade and other payables##	10,952	10,952	10,952	-	-
Financial corporate guarantees	15,039	15,039	15,039	-	-
Loans from financial institutions	31	31	31	-	-
	26,022	26,022	26,022	-	-
1 April 2017					
Trade and other payables##	7,141	7,141	7,141	-	-
Financial corporate guarantees	15,226	15,226	15,226	-	-
Loans from financial institutions	230	236	236	-	-
	22,597	22,603	22,603	-	-

Exclude deferred revenue, goods and services tax and deposit for sale of property

The Group and the Company ensure that there are adequate funds to meet all their obligations in a timely and cost-effective manner.

25 Financial risk management (Cont'd)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk relates to variable rate bank loans.

Cash flow sensitivity analysis for variable rate instruments

For the variable rate financial assets and liabilities, a 50 basis points ("bp") change in interest rates at the reporting date would have increased/decreased profit before tax and equity by amounts as shown below. This analysis has not taken into account the associated tax effects and assumes that all other variables remain constant.

	Increase/(Decrease) in loss before tax		**Increase/(Decrease) in equity**	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
The Group	$'000	$'000	$'000	$'000
At 31 March 2019				
Loans from financial institutions	-	-	-	-
At 31 March 2018				
Loans from financial institutions	145	(145)	(145)	145
At 1 April 2017				
Loans from financial institutions	144	(144)	(144)	144

Foreign currency risk

Foreign currency risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group did not have currency risk as all of the group entities' business activities were carried out in their respective functional currencies.

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate due to changes in market prices.

The Group and the Company are not exposed to any movement in market price risk as they do not hold any quoted or marketable financial instruments.

26 Commitments

Operating lease commitments

Where the Group is a lessee

The Group leases office premises and service outlets under non-cancellable operating leases. These leases have an average tenure of between one and three years with renewal options and contingent rent provisions included in the contracts. The Group is required to pay either absolute fixed annual increase to the lease payments or contingent rents computed based on their sales achieved during the lease period. The Group is restricted from sub-leasing some of its service outlets.

The future aggregate minimum lease payable under the non-cancellable operating leases contracted as at the balance sheet date but not recognised as liabilities in the financial statements, are analysed as follows:

The Group	**2019** **$'000**	2018 $'000
Not later than one year	**2,424**	2,502
Later than one year and not later than five years	**1,510**	1,956
Later than five years	**-**	-

These operating leases expire between 2019 and 2022.

27 Corporate guarantees

The Company

As at 31 March 2019, the Company has provided corporate guarantees amounting to $Nil (2018 - $15,039,000) in respect of financial lease arrangements, loans from financial institutions and corporate credit card facilities.

The fair value of these corporate guarantees is estimated to be insignificant as the subsidiaries have the ability to generate sufficient cash flows from their operations to finance their continuing operations and repay the borrowings.

28 Segment information

Reporting format

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.

Business segments

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

- Beauty, slimming and spa treatment for women
- Beauty, slimming and spa treatment for men
- Direct selling
- Investment holding

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

Segment assets comprise of cash and cash equivalents, trade and other receivables, inventories, investment property, property, plant and equipment and other current assets. Segment assets exclude deferred tax assets.

Segment liabilities comprise primarily trade and other payables, specific borrowings and which can be attributable to the specific segments. Segment liabilities exclude current tax liabilities.

Geographical segments

The Group's geographical segments are based on the geographical location of the assets. Sales to external customers disclosed in geographical segments are attributed to geographic areas based on origins of the Group's customers.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise taxation balances.

28 Segment information (Cont'd)

Business segments (Cont'd)

(a) Business segments

(i) The following table presents revenue and results information regarding the Group's business segments for the years ended 31 March 2019 and 2018:

	Beauty, slimming and spa treatment for women		**Beauty, slimming and spa treatment for men**		**Direct selling**		**Investment holding**		**Total**	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue	**7,191**	6,607	**1,012**	690	**1,362**	495	**-**	1,780	**9,565**	9,572
Inter-segment revenue	**(680)**	(239)	**-**	-	**-**	-	**-**	(229)	**(680)**	(468)
External revenue	**6,511**	6,368	**1,012**	690	**1,362**	495	**-**	1,551	**8,885**	9,104
Other information:										
Other income	**161**	391	**3**	23	**51**	31	**4,885**	-	**5,100**	445
Interest income	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Purchases and related costs	**(258)**	(384)	**(2)**	(7)	**(377)**	(5)	**-**	-	**(637)**	(396)
Staff costs	**(4,945)**	(4,707)	**(590)**	(669)	**(352)**	(437)	**-**	-	**(5,887)**	(5,813)
Changes in inventories	**(61)**	43	**(2)**	(3)	**-**	(5)	**-**	-	**(63)**	35
Depreciation of property, plant and equipment	**(383)**	(361)	**(54)**	-	**(35)**	(85)	**-**	-	**(472)**	(446)
Operating lease expense	**(1,719)**	(2,584)	**(845)**	(804)	**-**	(150)	**-**	-	**(2,564)**	(3,538)
Other operating expenses	**(2,867)**	(1,009)	**(182)**	(357)	**(1,398)**	(2,355)	**(11)**	(98)	**(4,458)**	(3,819)
Finance costs	**(18)**	(446)	**(58)**	-	**(30)**	-	**-**	(593)	**(106)**	(1,039)
Loss before taxation									**(202)**	(5,467)
Income tax expense									**-**	(95)
Loss for the year									**(202)**	(5,562)

28 Segment information (Cont'd)

Business segments (Cont'd)

(a) Business segments (Cont'd)

(ii) The following table presents assets, liabilities and other segment information regarding the Group's business segments for the years ended 31 March 2019 and 2018:

	Beauty, slimming and spa treatment for women		Beauty, slimming and spa treatment for men		Direct selling		Investment holding		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Assets and liabilities:										
Segment assets	**5,740**	616	**463**	368	**803**	153	**520**	61,964	**7,526**	63,101
Total assets									**7,526**	63,101
Segment liabilities	**8,649**	12,493	**888**	1,369	**1,218**	350	**38**	50,904	**10,793**	65,116
Unallocated liabilities										
- Income tax payables	**1**	-	**-**	-	**-**	-	**21**	196	**22**	196
Total liabilities									**10,815**	65,312
Other segment information:										
Capital expenditure	**1,023**	208	**58**	-	**113**	52	**-**	-	**1,194**	260
Gain on disposal of investment property	**-**	-	**-**	-	**-**	-	**4,885**	-	**4,885**	-
Depreciation of property, plant and equipment	**383**	321	**54**	-	**35**	85	**-**	40	**472**	446
Impairment loss on property, plant and equipment	**301**	146	**-**	-	**-**	88	**-**	-	**301**	234
Loss on disposal of property, plant and equipment	**-**	-	**-**	-	**-**	26	**-**	-	**-**	26
Property, plant and equipment written off	**-**	-	**-**	-	**-**	31	**-**	-	**-**	31
Trade and other receivables written off	**97**	171	**-**	-	**-**	-	**-**	-	**97**	171
Impairment loss on trade and other receivables	**(86)**	195	**-**	-	**-**	-	**-**	-	**(86)**	195
Fair value adjustment to interest-free loans from former director	**-**	(246)	**-**	-	**-**	-	**-**	-	**-**	(246)

28 Segment information (Cont'd)

(b) Geographical information

	Singapore		Malaysia		Taiwan		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue - Sales to external customers	**7,373**	7,752	**1,512**	1,352	**-**	-	**8,885**	9,104
Non-current assets#	**1,164**	611	**59**	47	**21**	-	**1,244**	658

Note # - exclude deferred tax asset and deposits

The Group's non-current assets comprising property, plant and equipment are mainly located in Singapore.

Information about major customer

Rental income of $Nil (2018 - $1,551,000) in respect of the investment holding segment was generated from one customer.

29 Capital management

The Group's capital management policy is to ensure that it maintains capital ratios with a view to optimise shareholders' value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payout to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There were also no changes in the Group's approach to capital management during the financial years ended 31 March 2019 and 2018.

The Group monitors capital on the basis of the net debt to total capital ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings, trade and other payables and less cash and cash equivalents. Total equity is calculated as share capital plus reserves and non-controlling interest. Total capital is calculated as total equity plus net debt.

The net debt to total capital ratio is calculated as follows:

The Group	**2019** **$'000**	2018 $'000
Borrowings	**193**	29,202
Trade and other payables	**7,806**	33,016
Less: Cash and cash equivalents	**(4,073)**	(740)
Net debt	**3,926**	61,478
Total equity	**(3,289)**	(2,211)
Total capital	**637**	59,267
Net debt to total capital ratio	*	*

* Not meaningful as the Group has a deficit in shareholder's funds as at balance sheet date.

Except as disclosed in Note 16.2, the Group has satisfactorily complied with all covenants under its borrowing agreements.

30 Fair value measurement

Definition of fair value

SFRS(I)s define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
(b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
(c) Level 3 - Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Fair value measurement of non-financial assets

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis:

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 March 2019				
Investment property classified as held for sale (Note 11)	**-**	**-**	**-**	**-**
31 March 2018				
Investment property classified as held for sale (Note 11)	-	-	57,000	57,000
1 April 2017				
Investment property (Note 5)	-	-	57,000	57,000

The reconciliation of the carrying amount of investment property which are classified within Level 3 is set out in Note 11.

30 Fair value measurement (Cont'd)

Valuation technique and significant unobservable inputs

The following table shows the Group's valuation technique used in measuring the fair value of investment property as well as the significant unobservable inputs used and fair value measurement.

Valuation method	Inter-relationship between key unobservable inputs and fair value measurement
Direct comparison method	The estimated fair value would increase/(decrease) if: - Price per square meter was higher/(lower); - Occupancy rate was higher/(lower); - Room rate was higher/(lower); - Operating expenses and property tax were lower/(higher); - Capitalisation rate was lower/(higher).

Fair value measurement of financial assets and financial liabilities

The following summarises the significant methods and assumption used in estimating fair values of financial instruments of the Group.

Non-current financial assets and financial liabilities

The carrying amounts of variable rate non-current loans from financial approximate their fair values. The carrying amounts of finance leases approximate their fair values as they bear interest at rates which approximate market rates for similar arrangements. The fair values of interest-free loans from an executive director and a former director at inception are based on discounted cash flows using incremental rate of borrowing after due consideration of the risk-free rate and credit spread.

Other financial assets and financial liabilities

The carrying amounts of other financial assets and financial liabilities (trade and other receivables, trade and other payables, and borrowings) which have a maturity of less than one year approximate their fair value because of the short-term period of maturity.

STATISTICS OF SHAREHOLDINGS

AS AT 21 JUNE 2019

ISSUED AND PAID-UP CAPITAL	:	S$ 4,819,000
NO OF SHARES	:	163,495,140
NO OF TREASURY SHARES AND SUBSIDIARY HOLDINGS	:	NIL
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	1 VOTE PER SHARE

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	1	0.27	1	0.00
100 - 1,000	140	37.33	135,000	0.08
1,001 - 10,000	101	26.93	666,000	0.41
10,001 - 1,000,000	126	33.60	7,168,300	4.38
1,000,001 & ABOVE	7	1.87	155,525,839	95.13
TOTAL	375	100.00	163,495,140	100.00

LIST OF TOP TWENTY SHAREHOLDERS

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1	DBS NOMINEES PTE LTD	111,985,839	68.49
2	HO YOW PING (HE YOUPING)	32,680,000	19.99
3	HAN SENG JUAN	2,300,000	1.41
4	ONG PANG AIK	2,300,000	1.41
5	SONG WEI MING	2,300,000	1.41
6	TEO KEE BOCK	2,300,000	1.41
7	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	1,660,000	1.02
8	LEE LAY TING JANE	810,300	0.50
9	UOB KAY HIAN PTE LTD	502,000	0.31
10	CITY LIFE ADVERTISING PTE LTD	297,000	0.18
11	WAI LEE CHIEN	242,000	0.15
12	OCBC SECURITIES PRIVATE LTD	200,000	0.12
13	LEONG POH CHOO	163,200	0.10
14	WONG WEN MING	130,000	0.08
15	RACHAEL ONG CHUAN CHUAN	128,000	0.08
16	GAN CHIN POH (YAN QINGBO) @ GAN AH LAM	125,000	0.08
17	WONG BIG WAH	121,000	0.07
18	RAFFLES NOMINEES (PTE) LIMITED	116,500	0.07
19	ONG MENG HWEE	103,000	0.06
20	KOH CHENG HAU	100,000	0.06
		158,563,839	**97.00**

STATISTICS OF SHAREHOLDINGS
AS AT 21 JUNE 2019

SUBSTANTIAL SHAREHOLDERS

	NAME OF SHAREHOLDERS	DIRECT INTEREST NO. OF SHARES	%	DEEMED INTEREST NO. OF SHARES	%
1	SUKI SUSHI PTE. LTD.	-	-	110,466,839[1]	67.57
2	HO YOW PING (HE YOUPING)	32,680,000	19.99	110,466,839[2]	67.57
3	LEE BOON LENG	-	-	110,466,839[2]	67.57

Notes:

(1) Suki Sushi Pte. Ltd. holds 110,466,839 of shares in the Company through DBS Nominess Pte. Ltd. The Shareholders of Suki Sushi Pte. Ltd. are Mr. Lee Boon Leng (73.75%), Ms Ho Yow Ping (He Youping) (21.70%), Ms Low Xiu Li Evelyn (2.84%), Mr Khoo Cheng Beeng (1.14%) and Mr Seow Bao Shuen (0.57%).

(2) Ms. Ho Yow Ping (He YouPing) and Mr Lee Boon Leng are deemed to have an interest in the Company by virtue of their 73.75% and 21.70% respective shareholdings interest in Suki Sushi Pte. Ltd.

PUBLIC FLOAT

Based on the information available to the company as at 21 June 2019, approximately 12.45% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Mary Chia Holdings Limited (the "**Company**") will be held at 26 Tai Seng Street, #07-02, Singapore 534057 on Tuesday, 30 July 2019 at 9.30 a.m. to transact the following businesses:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 March 2019 together with the Auditors' Report thereon. **Resolution 1**

2. To approve the payment of Directors' fees of S$105,000 for the financial year ending 31 March 2020 (FY2019: S$105,000). **Resolution 2**

3. To re-elect Ms Ho Yow Ping (He YouPing) who is retiring by rotation pursuant to Regulation 98 of the Company's Constitution. **Resolution 3**

4. To re-elect Mr Sim Eng Huat who is retiring by rotation pursuant to Regulation 102 of the Company's Constitution. Mr Sim Eng Huat, will upon re-election as a Director of the Company, remain as a member of the Audit Committee, Nominating Committee and Remuneration Committee. The Board considers Mr. Sim Eng Huat to be independent pursuant to Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited. **Resolution 4**

5. To re-appoint Messrs Foo Kon Tan LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **Resolution 5**

6. To transact any other ordinary business which may be properly transacted at an annual general meeting.

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:-

7. **Authority to allot and issue shares in the capital of the Company (the "Share Issue Mandate")**

   That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Catalist Rules**"), the Directors of the Company be authorised and empowered to:

   (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) notwithstanding that the authority conferred by this Resolution 6 may have ceased to be in force, issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution 6 is in force, provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution 6 (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below) of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution 6 is passed;

(2) subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution 6 is passed, after adjusting for:-

(i) new Shares arising from the conversion or exercise of the convertible securities;

(ii) new Shares arising from exercising of share options or vesting of share awards outstanding and/or subsisting at the time this Resolution 6 is passed, provided that share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or sub-division of Shares.

(3) in exercising the authority conferred by this Ordinary Resolution 6, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution for the time being of the Company; and

(4) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution 6 shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law and the Catalist Rules to be held, whichever is the earlier.
[See Explanatory Note] **Resolution 6**

BY ORDER OF THE BOARD

Shirley Lim Guat Hua
Company Secretary

Date: 13 July 2019

Explanatory Note:

The Ordinary Resolution 6 proposed in item 7, if passed, will empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to allot and issue Shares and convertible securities in the Company, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Resolution 6, for such purposes as the Directors may consider what would be in the best interests of the Company. The number of Shares and convertible securities that the Directors may allot and issue under this Resolution 6 would not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution 6. For issue of Shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution 6.

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting may appoint not more than two proxies to attend and vote instead of him.

2. Where a member appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy in the instrument appointing the proxies.

3. Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at the Annual General Meeting. Relevant intermediary is either:

   (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity.

   (b) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. If the member is a corporation, the instrument appointing the proxy must be executed under an officer or attorney duly authorised.

5. A proxy need not be a member of the Company.

6. The instrument appointing a proxy or proxies, duly executed, must be deposited at the registerd office of the Company at 183 Thomson Road, Goldhill Shopping Centre, Singapore 307628 not less than 48 hours before the time set for the Annual General Meeting.

PERSONAL DATA PRIVACY:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

Mary Chia Holdings Limited
(Incorporated in the Republic of Singapore)
(Registration No: 200907634N)

IMPORTANT
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than 2 proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF monies to buy shares in Mary Chia Holdings Limited, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their CPF Approved Nominees if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notes to this Proxy Form.

PROXY FORM
ANNUAL GENERAL MEETING

I / We ______________________ NRIC/ Passport/ Co. Reg. No. ______________

of ____ (Address)

being a member/members of Mary Chia Holdings Limited (the "Company"), hereby appoint

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting ("**AGM**") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the AGM of the Company to be held at 26 Tai Seng Street, #07-02, Singapore 534057 on Tuesday, 30 July 2019 at 9:30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick "√" within the box provided)

No.	Resolutions relating to:	Number of Votes For	Number of Votes Against
	Ordinary Business		
1	Adoption of Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 March 2019 together with the Auditors' Report thereon		
2	Approval of Directors' fees of S$105,000 for the financial year ending 31 March 2020 (FY2019: S$105,000)		
3	Re-election of Ms Ho Yow Ping (He YouPing) as a Director of the Company		
4	Re-election of Mr Sim Eng Huat as a Director of the Company		
5	Re-appointment of Messrs Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration		
	Special Business		
6	Authority to allot and issue shares pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore		

Dated this __________ day of ____________ 2019

Total number of Shares held

____
Signature(s) of member(s) or common seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM
ANNUAL GENERAL MEETING

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholdings concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary means:

   (i) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity.

   (ii) aa person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. A proxy need not be a member of the Company.

4. Where a member appoints more than one proxy, the member must specify the proportion of shareholdings to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100% of the shareholdings of his/her appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 183 Thomson Road, Goldhill Shopping Centre, Singapore 307628 not less than 48 hours before the time appointed for holding the Annual General Meeting.

6. Completion and return of the instrument appointing a proxy or proxies by a member shall not preclude him from attending and voting at the Annual General Meeting if he so wishes. Any appointment of a proxy or proxies by a member shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to admit any person or persons appointed under the instrument of proxy to the Annual General Meeting.

7. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorized. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting.

8. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

9. The Company shall be entitled to reject an instrument of proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 July 2019.

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COMPANY INFORMATION

COMPANY REGISTRATION NUMBER

200907634N

REGISTERED OFFICE

183 Thomson Road
Goldhill Shopping Centre
Singapore 307628
Tel: 6252 9651
Fax: 6255 6262

BOARD OF DIRECTORS

Yeung Koon Sang @ David Yeung
(Lead Independent Director / Non-Executive Chairman)

Ho Yow Ping (He YouPing) (Chief Executive Officer)

Pao Kiew Tee (Independent Director)

Sim Eng Huat (Independent Director)

COMPANY SECRETARY

Shirley Lim Guat Hua

SHARE REGISTRAR

B.A.C.S Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544
Email: main@zicoholdings.com

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318

AUDIT COMMITTEE

Yeung Koon Sang @ David Yeung (Chairman)
Pao Kiew Tee
Sim Eng Huat

NOMINATING COMMITTEE

Pao Kiew Tee (Chairman)
Yeung Koon Sang @ David Yeung
Sim Eng Huat

REMUNERATION COMMITTEE

Yeung Koon Sang @ David Yeung (Chairman)
Pao Kiew Tee
Sim Eng Huat

BANKERS

DBS Bank Ltd
Hong Leong Finance Limited
UOB Bank Ltd

INDEPENDENT AUDITOR

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants
24 Raffles Place, #07-03
Clifford Centre
Singapore 048621

Partner-in-charge: Ms Ang Soh Mui
(since financial year ended 31 March 2019)

MARY CHIA

URBAN HOMME

MCU CLINIC

MASEGO

ORGANICA

HUANG AH MA

DR SCINN

SCINN

MARY CHIA HOLDINGS LIMITED

ANNUAL REPORT 2019