

UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP		Change %
	For the financial year ended 31 Mar 2015 (unaudited) S\$'000	31 Mar 2014 (audited) S\$'000	
Revenue	15,093	17,204	-12.3
Other operating income	558	3,609	-84.5
Purchases and related costs	(852)	(813)	4.8
Changes in inventories	40	133	-69.9
Depreciation of property, plant and equipment	(1,214)	(1,159)	4.7
Staff costs	(7,561)	(7,342)	3.0
Operating lease expenses	(4,354)	(4,162)	4.6
Other operating expenses	(3,657)	(3,797)	-3.7
(Loss)/Profit from operations	(1,947)	3,673	-153.0
Finance costs	(558)	(562)	-0.7
(Loss)/Profit before income tax	(2,505)	3,111	-180.5
Income tax expense	(236)	(93)	153.8
(Loss)/Profit for the financial year	(2,741)	3,018	-190.8
Other comprehensive (loss)/income for the financial year			
Items that will be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations.	59	51	15.7
Total comprehensive (loss)/income for the financial year	(2,682)	3,069	-187.4
(Loss)/Profit attributable to:			
Equity holders of the Company	(3,268)	1,292	-352.9
Non-controlling interests	527	1,726	-69.5
	(2,741)	3,018	-190.8
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company	(3,209)	1,343	-338.9
Non-controlling interests	527	1,726	-69.5
	(2,682)	3,069	-187.4

n/m: not meaningful

1(a)(ii) Notes to consolidated statement of comprehensive income

Profit/(Loss) before income tax is determined after charging/(crediting):

	GROUP		Change %
	For the financial year ended		
	31 Mar 2015	31 Mar 2014	
	(unaudited)	(audited)	
	S\$'000	S\$'000	
Government grants	(338)	(440)	-23.2
Income from Training for Health Management	-	(365)	n/m
Depreciation of property, plant and equipment	1,214	1,159	4.7
Interest income	(14)	(2)	600.0
Allowance for doubtful debts	-	58	n/m
Fair value gain on investment property	-	(2,639)	n/m
Loss on disposal of property, plant and equipment	9	13	-30.8
Finance costs	558	562	-0.7

n/m: not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	31 Mar 2015 (unaudited) S\$'000	31 Mar 2014 (audited) S\$'000	31 Mar 2015 (unaudited) S\$'000	31 Mar 2014 (audited) S\$'000
ASSETS				
Current Assets				
Cash and cash equivalents	1,833	1,560	171	439
Inventories	729	695	-	-
Trade and other receivables	548	404	9	9
Amounts due from subsidiaries	-	-	714	265
Amount due from non-controlling interest	4,906	-	-	-
Other current assets	566	867	8	6
Total current assets	8,582	3,526	902	719
Non-Current Assets				
Investments in subsidiaries	-	-	3,258	3,258
Investment property	57,177	57,177	-	-
Property, plant and equipment	5,137	5,764	-	*
Deferred tax assets	260	342	-	-
Deposits	906	609	-	-
Total non-current assets	63,480	63,892	3,258	3,258
Total assets	72,062	67,418	4,160	3,977
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	7,208	6,410	308	247
Amounts due to subsidiaries	-	-	*	6
Amounts due to director and non-controlling interests	1,320	194	-	-
Finance leases	184	151	-	-
Bank loans (secured)	7,383	4,585	269	380
Bank overdraft	210	222	-	-
Provision for income tax liabilities	203	117	-	-
Provisions	168	276	-	-
Total current liabilities	16,676	11,955	577	633
Non-Current Liabilities				
Finance leases	259	270	-	-
Bank loans (secured)	22,027	19,597	517	-
Provisions	282	96	-	-
Total non-current liabilities	22,568	19,963	517	-
Total liabilities	39,244	31,918	1,094	633
Equity				
Share capital	4,818	4,818	4,818	4,818
Reserves	9,534	12,743	(1,752)	(1,474)
Capital and reserves attributable to equity holders of the Company	14,352	17,561	3,066	3,344
Non-controlling interests	18,466	17,939	-	-
Total equity	32,818	35,500	3,066	3,344
Total liabilities and equity	72,062	67,418	4,160	3,977

* : Amount less than S\$1,000

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	GROUP			
	31 Mar 2015		31 Mar 2014	
	(unaudited)		(audited)	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	7,777	-	4,958	-
Amount repayable after one year	22,286	-	19,867	-
	<u>30,063</u>	<u>-</u>	<u>24,825</u>	<u>-</u>

Details of any collateral:

- a. Bank borrowings are secured by a first legal mortgage over the Group's leasehold property and joint and several personal guarantees provided by the Company's Executive Chairman and Chief Executive Officer.
- b. The carrying amounts of certain plant and equipment of the Group include an amount of S\$350,937 (2014: S\$239,802) in respect of assets held under finance leases.
- c. Finance lease liabilities of the Group are effectively secured over the leased beauty, slimming and spa equipment, leased motor vehicles and leased furniture and fittings, as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities. It is also secured by joint and several personal guarantees provided by the Company's Executive Chairman and Chief Executive Officer and corporate guarantee from the Company.
- d. The bank overdraft are secured by the following:
 - Joint and several personal guarantees provided by the Company's Executive Chairman and Chief Executive Officer
 - Corporate guarantee from the Company; and
 - Negative pledge over all assets of a subsidiary

1(c)(i) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	For the financial year ended	
	31 Mar 2015	31 Mar 2014
	(unaudited)	(audited)
	S\$'000	S\$'000
Cash flows from operating activities		
(Loss)/Profit before income tax	(2,505)	3,111
Adjustments for:-		
Loss on disposal of property, plant and equipment	9	13
Depreciation of property, plant and equipment	1,214	1,159
Allowance for impairment loss of trade and other receivables	-	58
Finance costs	558	562
Property, plant and equipment written off	*	-
Fair value gain on investment property	-	(2,639)
Interest income	(14)	(2)
Effect of foreign exchange rate changes	159	73
Operating (loss)/profit before working capital changes	<u>(579)</u>	<u>2,335</u>
Working capital changes:-		
Inventories	(34)	(130)
Trade and other receivables	(140)	(133)
Trade and other payables	1,698	(627)
Cash generated from operations	<u>945</u>	<u>1,445</u>
Income tax paid	(151)	(95)
Net cash generated from operating activities	<u>794</u>	<u>1,350</u>
Cash flows from investing activities		
Interest received	14	2
Purchase of property, plant and equipment	(442)	(40)
Loan to non-controlling interest	(4,900)	-
Net cash used in investing activities	<u>(5,328)</u>	<u>(38)</u>
Cash flows from financing activities		
Decrease in fixed deposit pledged	900	267
Proceeds from bank borrowings	7,050	3,197
Repayment of bank borrowings	(1,821)	(3,050)
Repayment of finance lease liabilities	(155)	(326)
Repayment to non-controlling interests	(150)	(696)
Advances from directors	453	-
Interest paid	(558)	(562)
Net cash generated from/(used in) financing activities	<u>5,719</u>	<u>(1,170)</u>
Net increase in cash and cash equivalents	1,185	142
Cash and cash equivalents at beginning of the financial year	438	296
Cash and cash equivalents at end of the financial year	<u>1,623</u>	<u>438</u>

* Amounts less than S\$1,000

1(c)(ii) Cash and cash equivalents

	GROUP	
	31 Mar 2015	31 Mar 2014
	(unaudited)	(audited)
	S\$'000	S\$'000
Cash and bank balances	1,803	629
Fixed deposits	30	931
Cash and cash equivalents as per statement of financial position	<u>1,833</u>	<u>1,560</u>
Fixed deposits pledged with bank	-	(900)
Bank overdraft	(210)	(222)
Cash and cash equivalents per consolidated statement of cash flows	<u><u>1,623</u></u>	<u><u>438</u></u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	Share capital S\$'000	Merger reserve S\$'000	Foreign currency translation S\$'000	Retained earnings S\$'000	Attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total S\$'000
Balance as at 1 April 2014	4,818	(927)	141	13,529	17,561	17,939	35,500
Total comprehensive income for the financial year	-	-	59	(3,268)	(3,209)	527	(2,682)
Balance as at 31 March 2015	<u>4,818</u>	<u>(927)</u>	<u>200</u>	<u>10,261</u>	<u>14,352</u>	<u>18,466</u>	<u>32,818</u>

GROUP	Share capital S\$'000	Merger reserve S\$'000	Foreign currency translation S\$'000	Retained earnings S\$'000	Attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total S\$'000
Balance as at 1 April 2013	4,818	(927)	90	12,237	16,218	16,213	32,431
Total comprehensive income for the financial year	-	-	51	1,292	1,343	1,726	3,069
Balance as at 31 March 2014	<u>4,818</u>	<u>(927)</u>	<u>141</u>	<u>13,529</u>	<u>17,561</u>	<u>17,939</u>	<u>35,500</u>

COMPANY	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
Balance as at 1 April 2014	4,818	(1,474)	3,344
Total comprehensive loss for the financial year	-	(278)	(278)
Balance as at 31 March 2015	<u>4,818</u>	<u>(1,752)</u>	<u>3,066</u>
Balance as at 1 April 2013	4,818	(1,206)	3,612
Total comprehensive loss for the financial year	-	(268)	(268)
Balance as at 31 March 2014	<u>4,818</u>	<u>(1,474)</u>	<u>3,344</u>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	<u>No of shares</u>	<u>Share Capital</u> S\$
<u>Issued and Paid-Up Capital</u>		
Issued and paid-up capital as at 31 March 2015 and 30 September 2014	<u>163,495,140</u>	<u>4,817,859</u>

There was no change in the Company's share capital from 30 September 2014 up to 31 March 2015.

There were no outstanding convertibles or treasury shares as at 31 March 2015 and 31 March 2014 respectively.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	31 Mar 2015 (unaudited)	31 Mar 2014 (audited)
Total number of issued shares (excluding treasury shares)	<u>163,495,140</u>	<u>163,495,140</u>

There was no treasury share as at 31 March 2015 and 31 March 2014 respectively.

- 1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current period reported on.**

Not applicable. The Company did not have any treasury shares during or as at the end of the current financial year reported on.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.**

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting financial year as in the audited financial statements for the financial year ended 31 March 2014, except for the adoption of the new and revised Financial Reporting Standards ("FRS"), Interpretations of FRS ("INT FRS") and amendments to FRSs that are relevant to its operations and effective for annual periods beginning on or after 1 April 2014.

5. **If there were any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group and the Company have adopted the new and revised FRSs, INT FRSs and amendments to FRSs effective from 1 April 2014, as mentioned in Paragraph 4 above. The adoption has no material financial impact on the financial statements of the Group and the Company for the current financial year reported on and prior reporting periods.

6. **Earnings/(Loss) per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

(Singapore cents)	GROUP	
	For the year ended	
	<u>31/03/2015</u> (unaudited)	<u>31/03/2014</u> (audited)
Earnings/(Loss) per ordinary share for the financial year:		
(a) Based on weighted average number of issued ordinary shares	(2.00)	0.79
(b) On a fully diluted basis	(2.00)	0.79

Notes:

- a. Basic earnings per ordinary share in the financial year ended 31 March 2015 and 31 March 2014 had been calculated by dividing the (loss)/profit for the financial year attributable to the owners of the Company by the weighted average number of ordinary shares issued during the respective financial year under review of 163,495,140 shares.
- b. Fully diluted earnings per ordinary share is the same as basic earnings per ordinary share as there was no potentially dilutive securities for the Company as at 31 March 2015 and 31 March 2014 respectively.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

(Singapore cents)	GROUP		COMPANY	
	<u>31 Mar 2015</u> (unaudited)	<u>31 Mar 2014</u> (audited)	<u>31 Mar 2015</u> (unaudited)	<u>31 Mar 2014</u> (audited)
Net assets value per ordinary share based on issued share capital as at end of the financial year reported on the end of the financial year	8.78	10.74	1.88	2.05
No of ordinary shares	163,495,140	163,495,140	163,495,140	163,495,140

Net asset value per ordinary share of the Group and the Company is calculated by dividing the net asset value of the Group and the Company (excluding non-controlling interests) respectively by the number of outstanding ordinary shares of 163,495,140 as at 31 March 2015 (31 March 2014: 163,495,140).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, asset or liabilities of the group during the current financial period reported on.**

a. Income Statement

12-months financial year ended from 1 April 2014 to 31 March 2015 ("FY2015") vs 12-months financial year ended 1 April 2013 to 31 March 2014 ("FY2014")

Revenue

The Group recorded a revenue of S\$15.1 million in FY2015, a decrease of S\$2.1 million or 12.3% from S\$17.2 million in FY2014. The decrease in revenue was mainly attributed to lower revenue from beauty, slimming and spa treatment for both women and men, which is partially offset by an increase in revenue derived from our investment property, training courses and product sales. The decrease in treatment revenue is mainly due to:

- (i) Temporary closure of an outlet in Singapore due to re-branding and renovation from October 2014 to November 2014;
- (ii) High staff turnover resulting in the deployment of resources to train newly employed staff; and
- (iii) Slower growth in the local retail industry which had resulted in reduced consumer spending and lower utilization rate of pre-paid packages.

Other operating income

The Group's other operating income decreased by S\$3.0 million or 84.5% from S\$3.6 million in FY2014 to S\$0.6 million in FY2015. The decrease was mainly due to:

- 1) No fair value gain recognised on investment property in FY2015 as compared to FY2014; and
- 2) The one-off income in FY2014 from provision of health management training courses to corporate clients.

Purchase and related costs and Changes in Inventory

The Group's purchase and related costs and changes in inventory in totality had increased by S\$0.1 million from S\$0.7 million in FY2014 to S\$0.8 million in FY2015 mainly due to higher inventory purchased to support the increase in product sales.

Staff costs

Staff costs increased by S\$0.3 million or 3.0% from S\$7.3 million in FY2014 to S\$7.6 million in FY2015.

The increase was mainly due to:

- (i) additional headcount employed to head our new Direct Selling Business; and
- (ii) increase in salary via increments;

which is partially offset by a decrease in commission payout as a result of decreasing treatment sales.

Profit from operations

The Group's profit from operations decreased by S\$5.6 million or 153.0% from S\$3.7 million in FY2014 to a loss of S\$1.9 million in FY2015. The decrease was mainly due to:

- (i) S\$2.1 million decrease in revenue;
- (ii) S\$3.0 million decrease in other income mainly due to no fair value gain recognized on investment property this year; and
- (iii) S\$0.5 million overall increase in expenses.

Finance costs

The Group's finance costs decreased by S\$4,000 or 0.7% from S\$562,000 in FY2014 to S\$558,000 in FY2015 due to lower outstanding loan principal following the repayment of finance leases and bank borrowings during the year.

Income tax expense

Income tax expense increased by S\$0.1 million from S\$0.1 million in FY2014 to S\$0.2 million in FY 2015 mainly due to an increase in revenue for Hotel Culture Pte Ltd.

Net profit

As a result of the above factors, the Group reported a total comprehensive loss attributable to owners of the Company of S\$3.2 million in FY2015 as compared to S\$1.3 million profit in FY2014.

b. Statement of Financial Position

Property, plant and equipment decreased by S\$0.7 million from S\$5.8 million as at 31 March 2014 to S\$5.1 million as at 31 March 2015, mainly due to a depreciation charge of S\$1.2 million which was partially offset by the new additions of equipment, motor vehicle and enhancement cost of one outlet in Singapore.

Trade and other receivables increased by S\$0.1 million from S\$0.4 million as at 31 March 2014 to S\$0.5 million as at 31 March 2015, mainly due to increase from trade receivable due to training fee outstanding from employees and amount due from corporate debtors.

Amount due from non-controlling interests amounting to S\$4.9 million as at 31 March 2015 represents the loan granted by Hotel Culture Pte Ltd., a 51% held subsidiary of the Company, to its shareholders in accordance to their respective equity holdings (the Company holds 51%, and Mr Lee Boon Leng holds 49% of the shares in Hotel Culture Pte Ltd). See more details in paragraph 13 on Interested person transactions below.

Other current assets, which are short term deposits, decreased by S\$0.3 million from S\$0.9 million as at 31 March 2014 to S\$0.6 million as at 31 March 2015 as more rental deposits are classified as non-current due to the recent lease renewal.

Trade and other payables increased by S\$0.8 million from S\$6.4 million as at 31 March 2014 to S\$7.2 million as at 31 March 2015, mainly due to the S\$0.9 million increase in deferred revenue arising from lower utilization rate of pre-paid packages.

Amount due to directors and non-controlling interest had increased by S\$1.1 million from S\$0.2 million as at 31 March 2014 to S\$1.3 million as at 31 March 2015 mainly due to cash advances from our substantial shareholders cum directors.

Secured bank loans increased from S\$24.8 million as at 31 March 2014 to S\$30.1 million as at 31 March 2015, due mainly to an additional S\$7 million revolving and working capital loan assumed by Hotel Culture Pte Ltd and the Company which was partially offset by the repayment of existing bank loans.

Working capital/cash flow

As a result of the changes in financial position stated above, the Group reported a negative working capital of S\$8.1 million as at 31 March 2015 out of which S\$3.2 million is due to billings in advance for treatment packages. Notwithstanding, the net cash inflows of S\$0.8 million from operating activities, its current cash balance and the revolving loan facility of S\$5.1 million secured will be able to support the Group's operations for the financial year ending 31 March 2016 and meet its obligations to repay its short-term obligations as and when they fall due.

c. Statement of Cash Flows

The Group had net cash generated from operating activities of S\$0.8 million in FY2015 as compared to net cash generated from operating activities of S\$1.4 million in FY2014, due mainly to increase in trade and other payables.

The Group had a net cash outflow of S\$5.3 million from investing activities in FY2015, as compared to S\$0.04 million net cash outflow in FY2014. This is mainly due to S\$4.9 million loan to non-controlling interest and most of the additions in property, plant and equipment were financed via loans rather than hire purchase in FY2015.

The Group's net cash generated from financing activities of S\$5.7 million in FY2015 was mainly due to the proceeds from borrowings of S\$7.1 million and decrease in fixed deposits pledged of S\$0.9 million, offset by repayments for borrowings of S\$1.8 million, non-controlling interest of S\$0.2 million and finance lease of S\$0.2 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or a prospect statement had been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

For year 2015, Singapore's economic growth is expected to advance along a modest upward trajectory and is forecast to come in at 2% to 4% in 2015¹, which will continue to support growth in the local retail industry.

Notwithstanding that, the Group expects to face operating challenges for the financial year ending 31 March 2016. Tight labor market and the tightening foreign labor measures in Singapore have led to higher staff cost and limited further expansion of its business operations. The Group also faces higher cost in utilities and property rentals within the competitive local beauty and aesthetics industry.

To overcome this, the Group is looking into renewing its product mix and developing new product lines.

During the financial year, the Group had set up a subsidiary, Organica International (M) Sdn Bhd for its direct selling business in Malaysia. The Group plans to launch its product in the third quarter of 2015. The Group has since engaged an experienced management team to operate this new venture.

The Group has met the pre-requisites to deliver beauty training courses under the Singapore Workforce Development Agency's ("WDA") framework for two years effective from 15 May 2015. The Group is able to provide training courses under the Enterprise Training Support scheme to both its employees and the public in the near future, which will enhance its revenue. Currently we are being appointed as In-house Approved Training Organisation ("ATO") with two accredited courseware. The Group plans to get at least four more courseware approved in the next financial year. The Group is also developing courseware for other players in the beauty industry for a fee.

The Group is planning an exclusive distributorship with a strategic partner to promote the Group's skincare products and supplements in Asia.

The Group will continue to reduce operating costs and improve operation efficiency by participating in the extended Productivity and Innovation Credit schemes for further three years, conduct regular training services for employees to retain skilled workers to help create life-long customer relationships and investing in Research and Development to promote product innovation and expand the range of services.

¹ Monetary Authority of Singapore, "Recent Developments in Singapore", 5 March 2015

11. Dividend

(a) Current Financial Period Reported On

No dividend has been declared or recommended for the current financial year ended reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared/recommended for the current financial year ended.

13. Interested person transactions (“IPTs”)

The Group does not have general mandate for IPTs.

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 <u>Rule 920</u>) (S\$'000)	Aggregate value of all IPTs conducted under shareholder's mandate pursuant to <u>Rule 920</u> (excluding transactions less than S\$100,000) (S\$'000)
JL Asia Resources Pte Ltd ⁽¹⁾ Operating lease rental income	1,567	-
Lee Boon Leng ⁽²⁾ Loan to non-controlling interest	4,900	-

Notes:

(1) JL Asia Resources Pte Ltd (“**JL Asia**”) is wholly-owned by Mr Lee Boon Leng (“**Mr Lee**”), who is the spouse of Ms. Ho Yow Ping (He You Ping), the Chief Executive Officer of the Company. The lease of the premises to operate the hotel entered into between Hotel Culture Pte Ltd and JL Asia was renewed on 14 February 2015 for a term of three years. JL Asia leases and operates the hotel.

(2) Mr Lee is the spouse of Ms. Ho Yow Ping (He You Ping), the Chief Executive Officer of the Company.

During the financial year, the Group, via Hotel Culture Pte Ltd, a subsidiary of the Company, had taken up a new revolving loan of S\$10 million of which S\$5.1 million will be allocated to the Company and S\$4.9 million allocated to our minority shareholder, Mr Lee Boon Leng, who is also a director of Hotel Culture Pte Ltd, in accordance to their respective equity holdings (the Company holds 51%, and Mr Lee holds 49% of the shares in Hotel Culture Pte Ltd) (the “**Loan**”).

With respect to the Loan, the Audit Committee is of the view that:

- a. The provision of the Loan from Hotel Culture Pte Ltd is not prejudicial to the interests of the Company and its minority shareholders;
- b. The risk and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interest of the Company and its minority shareholders;
- c. The Loan is proportionately guaranteed by the Company and Mr Lee in accordance to their respective shareholdings in Hotel Culture Pte Ltd; and
- d. All incidental cost to the new loan will be billed to the Company and Mr Lee proportionately. Interest will be re-charged “back-to back” to the party utilizing the funds.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 14(a) **Segmented revenue and results for operating segment (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

BUSINESS SEGMENTS

FY2015	Beauty slimming and spa treatment for women S\$'000	Beauty slimming and spa treatment for men S\$'000	Investment holdings S\$'000	Total S\$'000
<u>Group</u>				
Total revenue	11,963	2,207	1,811	15,981
Inter segment revenue	(645)	-	(243)	(888)
External revenue	<u>11,318</u>	<u>2,207</u>	<u>1,568</u>	<u>15,093</u>
Adjusted EBITDA	<u>(1,130)</u>	<u>(828)</u>	<u>1,211</u>	<u>(747)</u>
Other information				
Assets				
Segment assets	<u>7,443</u>	<u>928</u>	<u>63,430</u>	<u>71,801</u>
Liabilities				
Segment liabilities	<u>7,912</u>	<u>1,063</u>	<u>29,278</u>	<u>38,253</u>
Other disclosures				
Capital expenditure	384	239	-	623
Depreciation on property, plant and equipment	1,060	154	*	1,214
Fair value gain on investment property	-	-	-	-

* : Amounts less than S\$1,000

14(a) BUSINESS SEGMENTS - (cont'd)

FY2014 Group	Beauty slimming and spa treatment for women S\$'000	Beauty slimming and spa treatment for men S\$'000	Investment holdings S\$'000	Total S\$'000
Total revenue	14,022	2,906	1,516	18,444
Inter segment revenue	(1,034)	-	(206)	(1,240)
External revenue	12,988	2,906	1,310	17,204
Adjusted EBITDA	920	295	3,615	4,830
Other information				
Assets				
Segment assets	8,313	755	58,008	67,076
Liabilities				
Segment liabilities	6,150	803	17,521	24,474
Other disclosures				
Capital expenditure	220	204	-	424
Allowance for impairment loss of trade and other receivables	58	-	-	58
Depreciation on property, plant and equipment	976	183	*	1,159
Fair value gain on investment property	-	-	2,638	2,638

* : Amounts less than S\$1,000

A reconciliation of total adjusted EBITDA to profit before income tax in FY2015 and FY2014 is as follows:

	Group	
	For the financial year ended 31.03.2015 S\$'000 (unaudited)	31.03.2014 S\$'000 (audited)
Adjusted EBITDA for reported segments	(747)	4,830
Depreciation of property, plant and equipment	(1,214)	(1,159)
Interest expense	(558)	(562)
Interest income	14	2
(Loss)/Profit before income tax	(2,505)	3,111

15(b) Geographical segments

The Group operates in two principal geographical areas, Singapore (country of domicile) and Malaysia. The following table provides an analysis of the Group's revenue by geographical market which is analysed based on the billing address of each individual customer:

	GROUP		Change
	For the financial year ended		
	31.03.2015	31.03.2014	
<u>Revenue</u>	S\$'000	S\$'000	%
	(unaudited)	(audited)	
Singapore	12,007	14,286	(16.0)
Malaysia	3,086	2,918	5.8
Total	15,093	17,204	(12.3)

The Group's identifiable assets are mainly located in Singapore and accordingly, no geographical segmental analysis is presented other than the above.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8 for further details.

17. A breakdown of sales

	GROUP		Change
	For the financial year ended		
	31.03.2015	31.03.2014	
	S\$'000	S\$'000	%
	(unaudited)	(audited)	
Sales reported for first half year	7,810	7,724	1.1
Operating profit/(loss) after tax before minority interests reported for first half year	(627)	(178)	252.2
Sales reported for second half year	7,283	9,480	(23.2)
Operating (loss)/profit after tax before minority interest reported for second half year	(2,114)	3,196	(166.1)

n/m: not meaningful

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable. There was no dividend declared or paid for FY2015 and FY2014 respectively.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the period/year
Wai Lee Chien	38	<p>1. Daughter-in-law of Chia Ah Tow Mary (Chairman and substantial shareholder); and</p> <p>2. Sister-in-law of Ho Yow Ping (CEO and substantial shareholder)</p>	<p>District manager for the wholly-owned subsidiary of the Company, Mary Chia Beauty & Slimming Specialist Pte Ltd since 2003.</p> <p>A director of MCU Holdings Sdn. Bhd., a wholly-owned subsidiary of the Company, incorporated in Malaysia since 2008.</p> <p>She is the district manager in charge of the branches in Jurong Point Shopping Centre since 2009.</p> <p>She is primarily responsible for the daily management and operations.</p>	N.A.
Chia Tse Ching	38	<p>1. Niece of Chia Ah Tow Mary (Chairman and substantial shareholder); and</p> <p>2. Cousin of Ho Yow Ping (CEO and substantial shareholder)</p>	<p>Branch manager for the Company's wholly-owned subsidiary, Mary Chia Beauty & Slimming Specialist Pte Ltd, since 2001.</p> <p>She is the branch manager for Tampines Century Square branch.</p> <p>She is primarily responsible for the daily management and operations.</p>	N.A.
Ho Yuen Kwan	40	<p>1. Son of Chia Ah Tow Mary (Chairman and substantial shareholder); and</p> <p>2. Brother of Ho Yow Ping (CEO and substantial shareholder)</p>	<p>Business Development Manager for the Company's wholly-owned subsidiary, Mary Chia Beauty & Slimming Specialist Pte Ltd since April 2013.</p> <p>He is responsible for all business development opportunities in the local and overseas market for the Group.</p> <p>He is also responsible for gathering market intelligence on customers and competitors and generates leads for possible business partners.</p>	N.A.

BY ORDER OF THE BOARD

Ho Yow Ping (He YouPing)
Chief Executive Officer
30 May 2015

This announcement has been prepared by Mary Chia Holdings Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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