

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

**MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL RESULTS ANNOUNCEMENT
AND THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017**

The Board of Directors (the “**Board**”) of Mary Chia Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the unaudited full year results announcement for the financial year ended 31st March 2017 (“**FY2017**”) released on 30 May 2017 (the “**Unaudited Results**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board wishes to highlight that there are material variances between the Unaudited Results and the audited financial statements for FY2017 (“**Audited Results**”).

A comparison of the Audited Results and the Unaudited Results with the relevant explanatory notes are shown below:

Consolidated Statement of the Group’s Comprehensive Income for FY2017

Group	Audited	Unaudited	Difference	Difference	Please refer to Note
	\$'000	\$'000	\$'000	%	
Revenue	9,177	9,007	170	2	1
Other operating income	553	391	162	41	2
Purchases and related costs	(452)	(405)	47	(12)	3
Depreciation of property, plant and equipment	(540)	(606)	(66)	11	4
Staff costs	(5,929)	(5,807)	122	(2)	5
Other operating expenses	(3,426)	(2,718)	708	(26)	6
Finance costs	(891)	(715)	176	(25)	7
Income tax expenses	(197)	(144)	53	(37)	8
Exchange differences on translation of foreign operations	(71)	(94)	(23)	24	9
Non-controlling interest	(284)	(35)	249	n/m	10

n/m – not meaningful

Notes:

1. Reclassification from deferred income to revenue
2. Other operating income increased due to (i) reclassification of assets written off amounting to \$80,000; (ii) reclassification of \$45,000 to other operating expenses; (iii) writeback of reinstatement cost of \$11,000; and (iv) recovery of debts of \$26,000
3. Purchases and related costs increased by \$47,000 due to reclassification from other receivables
4. Depreciation decreased by \$66,000 due to rectification of duplicate accounting entries made
5. Staff cost variance was due to an amendment of payroll and mandatory contributions of \$122,000
6. Other operating expenses variance was due to (i) an increase in impairment of property, plant and equipment for subsidiaries amounting to \$373,000; (ii) loss in fair value of investment property amounting to \$176,000 for subsidiaries; (iii) reclassification of assets written off amounting to \$80,000; and (iv) reclassification of \$45,000 from other operating income
7. Finance costs variance was due to imputed interest on interest-free directors’ loans
8. Difference was due to reclassification of accounts from property tax to income tax and additional provision for corporate tax amounting to \$53,000
9. Difference was due to exchange differences arising from overseas subsidiaries
10. Due to a loss in fair value of investment property, impairment of plant and equipment and increase in income tax expense attributable to non-controlling interest

FY2017 Consolidated Statement of Financial Position of the Group

Group	Audited	Unaudited	Difference	Difference	Please refer to
	\$'000	\$'000	\$'000	%	Note
Non-Current Assets					
Property, plant and equipment	4,047	4,307	(260)	(6)	11
Investment property	57,000	57,176	(176)	(0)	12
Non-Current Liabilities					
Borrowings	22,272	23,626	(1,354)	(6)	13
Amount due to directors	3,461	3,185	276	9	14
Provision	195	316	(121)	(38)	15
Current Liabilities					
Trade and other payables	6,821	7,145	(324)	(5)	16
Borrowings	6,615	5,261	1,354	26	13
Provision	262	103	159	154	15

Notes:

11. Difference was due to an increase in impairment of plant and equipment in loss-making subsidiaries amounting to \$373,000 offset by additions of plant and equipment previously not recorded of \$163,000
12. Difference was due to fair value loss recognized on investment property of \$176,000
13. Due to reclassification of \$1.4 million borrowings from Non-Current Liabilities to Current Liabilities
14. Amount due to directors increased mainly due to new interest-free directors' loans of \$176,000 and reclassification of accrued salaries of directors from trade and other payables of \$100,000
15. Mainly due to reclassification between Non-Current Liabilities and Current Liabilities of \$121,000 as it falls due within the next 12 months as at 31 March 2017
16. Lower trade and other payables were due to deferred income of \$0.2 million recognized and reclassification of \$0.1 million accrued salaries of directors to amounts due to directors

FY2017 Statement of Financial Position of the Company

Company	Audited	Unaudited	Difference	Difference	Please refer to
	\$'000	\$'000	\$'000	%	Note
Non-Current Assets					
Investment in subsidiaries	1,265	3,444	(2,179)	(63)	17
Current Assets					
Trade and other receivables	932	5,368	(4,436)	(83)	18

Notes:

17. Due to increase in impairment of investment in two subsidiaries
18. Due to increase in impairment of other receivables in two subsidiaries

Consolidated Statement of Cash Flow for FY2017

Group	Audited	Unaudited	Difference	Difference	Please refer to
	\$'000	\$'000	\$'000	%	Note
Cash Flow from Operating Activities					
Depreciation of property, plant and equipment	540	606	(66)	(11)	4
Fair Valuation Adjustment	176	-	176	n/m	6
Finance costs	891	715	176	25	7
Impairment of property, plant and equipment	373	-	373	n/m	6
Effect of foreign exchange rate changes	-	(57)	57	(100)	
Changes in trade and other payables	84	425	(341)	(80)	19
Cash Flows from financing activities					
Increase in amounts due from directors	2,109	1,833	276	15	13

Notes:

19. Higher payables due to deferred income recognition offset by increase in accrued payroll, professional fees

RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.

BY ORDER OF THE BOARD

Ho Yow Ping (He YouPing)
Chief Executive Officer
7 September 2017

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.

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).