

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 31 MARCH 2020**

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 31 March 2020 (“**FY2020**”) released on 19 August 2020 (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 FY2020 (“**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 the year ended 31 March 2020 (“FY2020”)

	<u>(Audited)</u>	<u>(Unaudited)</u>	<u>Variance</u>	<u>Variance</u>	<u>Notes</u>
	S\$'000	S\$'000	S\$'000	%	
Purchases and related costs	(339)	(440)	101	(23)	1
Depreciation of right-of-use asset	(2,020)	(1,826)	(194)	11	2
Operating lease expenses	(391)	(611)	220	(36)	3
Other operating expenses	(9,627)	(9,117)	(510)	6	4
Exchange differences on translation of foreign operations	5	(473)	478	(101)	4
Non-controlling interests	(475)	(23)	(452)	>1,000	5

Notes:

1. Purchases and related costs decreased due to reclassification of costs (mainly commission) amounting to S\$101,000 from purchases and related costs to other operating expenses.
2. The increase in depreciation of right-of-use assets amounting to S\$194,000 is in line with the increase in right-of-use assets. Please refer to Note 6 below.
3. Operating lease expenses decreased due to subsequent adjustments in respect of SFRS (I) 16 Leases for lease expenses of our Malaysia subsidiaries’ office and outlets. Please refer to Note 6 below.
4. Other operating expenses increased by S\$510,000 mainly due to the reclassification mentioned in Note 1 above, and adjustments to foreign exchange differences arising from the Malaysia operations amounting to S\$478,000, net of fair value adjustments amounting to S\$121,000 recorded on the loan from director.
5. Non-controlling interests increased by S\$452,000 due to adjustments for share of losses attributable to Company’s subsidiary, Hotel Culture Pte. Ltd..

Consolidated Statement of Financial Position as at 31 March 2020

<u>Group</u>	<u>(Audited)</u>	<u>(Unaudited)</u>	<u>Variance</u>	<u>Variance</u>	<u>Notes</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	
Right-of-use assets	308	120	188	157	6
Non-controlling interests	1,038	1,490	(452)	(30)	7
Lease liabilities (current)	2,041	1,923	118	6	8
Provision (non-current)	196	293	(97)	(33)	9
Provision (current)	177	81	96	119	9
<u>Company</u>					
Other assets (current)	9	23	(14)	(61)	10

Notes:

- Right-of-use assets increased by S\$188,000 mainly due recognition of the leases of our Malaysia subsidiaries' office and outlets, in accordance to SFRS (I) 16 Leases.
- Non-controlling interests decreased by S\$452,000 as explained under Note 5 above.
- Current lease liabilities increased mainly due to the recognition of right-of use assets as explained in Note 6 above.
- Current and non-current provision changes relate to the reclassification of the periods for provisions for reinstatement cost made to the lease.
- Other assets decreased by S\$14,000 due to the reclassification of amount due from a related party to trade and other receivables.

Consolidated Statement of Cash Flow for FY2020

	<u>(Audited)</u>	<u>(Unaudited)</u>	<u>Variance</u>	<u>Variance</u>	<u>Notes</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	
Net cash used in operating activities	1,304	1,469	(165)	(11)	11
Net cash generated from financing activities	304	499	(195)	(39)	12

Notes:

- Net cash used in operating activities arose due to explanations provided above.
- Net cash generated from financing activities decreased resulted from increased repayment of lease liabilities.

BY ORDER OF THE BOARD
Ho Yow Ping (He YouPing)
Chief Executive Officer
14 September 2020

This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited. This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("Exchange") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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