

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 2019**

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 2019 (“**FY2019**”) released on 13 July 2019 (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 FY2019 (“**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 FY2019

| | Group | | Variance | Variance | Notes |
|---|----------------------|---------------------|----------|-----------|----------|
| | For The Period Ended | | | | |
| | 31-Mar-19 | 31-Mar-19 | S\$’000 | % | |
| | S\$’000 | S\$’000 | S\$’000 | % | |
| | (audited) | (unaudited) | | | |
| Revenue | 8,885 | 8,872 | 13 | 0.2 | |
| Other operating income | 5,100 | 5,098 | 2 | 0.0 | |
| Purchases and related costs | (637) | (650) | 13 | (1.9) | |
| Changes in inventories | (63) | (61) | (2) | 3.1 | |
| Depreciation of property, plant and equipment | (472) | (445) | 1 | 6.0 | |
| Staff cost | (5,887) | (6,456) | 569 | (8.8) | |
| Operating leases expenses | (2,564) | (3,098) | 534 | (17.2) | 1 |
| Other operating expenses | (4,458) | (3,451) | (1,008) | 29.2 | 2 |
| Finance cost | (106) | (101) | (5) | 5.1 | |
| Loss before income tax | <u>(202)</u> | <u>(292)</u> | n/m | (30.8) | |
| Income tax expenses | - | (11) | 11 | (100.0) | 3 |
| Loss for the financial year | <u>(202)</u> | <u>(303)</u> | n/m | (33.4) | |
| Other comprehensive loss for the year, net of tax | | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | | |
| Exchange difference on translating foreign operation | <u>(323)</u> | <u>11</u> | (334) | (2,924.7) | 4 |
| Total comprehensive loss for the financial year | <u><u>(525)</u></u> | <u><u>(292)</u></u> | (233) | 79.9 | |
| (Loss) / Profit Attributable to: | | | | | |
| Equity holders of the Company | (2,581) | (2,682) | 101 | (3.8) | |
| Non-controlling interest | 2,379 | 2,379 | - | - | |
| | <u>(202)</u> | <u>(303)</u> | 101 | (33.4) | |

Notes:

1. Operating leases decreased mainly due to over accrual of rental operating lease expenses in a subsidiary.
2. Other operating costs increased mainly due to reclassification of \$0.5 million from staff costs and \$0.5 million of impairment finalized and audited.
3. Tax provision initially provided no longer required.
4. Pertains to exchange differences on translating foreign operation of \$0.3 million due to balances due from a foreign subsidiary in Malaysia.

Consolidated Statement of Financial Position of the Group as at 31 March 2019

| | 31-Mar-19 S\$'000 audited | 31-Mar-19 S\$'000 unaudited | Variance S\$'000 | Variance % | Notes |
|--------------------------------|---------------------------------|-----------------------------------|---------------------|---------------|-----------|
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Property, plant and equipment | 1,244 | 940 | 304 | 32% | 5 |
| Other assets | 123 | 247 | (124) | -50% | 6 |
| Current Assets | | | | | |
| Inventories | 435 | 507 | (72) | -14% | 7 |
| Trade and other receivables | 373 | 299 | 74 | 25% | 8 |
| Other assets | 1,278 | 1,056 | 222 | 21% | 9 |
| Non-Current Liabilities | | | | | |
| Other Payables | 218 | 3,870 | (3,652) | -94% | 10 |
| Current Liabilities | | | | | |
| Trade and other payables | 7,588 | 5,944 | 1,644 | 28% | 11 |
| Contract liabilities | 2,365 | - | 2,365 | | 12 |
| Provision | 256 | 209 | 47 | 22% | 13 |

Notes:

5. Increase in Property, plant and equipment due largely to provision for reinstatement costs previously not recognized.
6. Other assets decreased largely due to a reclass from Non-current to current deposits.
7. Inventories decreased due to subsequent impairment of inventories.
8. Trade and other receivables increased due to reclassification from other assets.
9. Other assets increased from landlord deposits reclassified from Non-current to current.
10. Non-current other payables decreased largely due to reclassification to current Trade and other payables.
11. Trade and other payables increased largely due from a reclass from non-current other payables offset with a reclassified of contract liabilities of S\$2.4 million.
12. Reclass and presentation of S\$2.4 million contract liabilities not previously presented in the unaudited results.
13. Increase in provision due to increase in provision for reinstatement costs.

Consolidated Statement of Cash Flow for FY2019

| | 31-Mar-19 | 31-Mar-19 | Variance | Variance | Notes |
|--|-----------|-----------|----------|----------|-----------|
| | S\$'000 | S\$'000 | S\$'000 | % | |
| | audited | unaudited | | | |
| Net cash used in operating activities | (29,124) | (8,266) | (20,858) | 252% | 14 |
| Net cash generated from investing activities | 63,424 | 63,502 | (78) | 0% | |
| Net cash used in financing activities | (31,358) | (51,849) | 20,491 | -40% | 15 |

Notes:

14. Net cash used in operating activities increased by S\$20.8 million mainly due to payment of dividend to non-controlling interest previously classified as net cash used in financing activities.
15. Net cash used in financing activities decreased by S\$20.5 million mainly due to payment of dividend to non-controlling interest correctly reclassified to net cash used in operating activities.

BY ORDER OF THE BOARD

Ho Yow Ping (He YouPing)
Chief Executive Officer
13 July 2019

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") in accordance with Rules 226(2) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

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

The contact person for the Sponsor is 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).