

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

EMPHASIS OF MATTER BY INDEPENDENT AUDITORS ON AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

Pursuant to Catalist Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the board of Directors (the "**Board**") of Mary Chia Holdings Limited (the "**Company**") and together with its subsidiaries, the "**Group**") would like to announce that the Company's Independent Auditors, Moore Stephens LLP, have issued the Independent Auditors' Report dated 3 July 2015 in respect of the audited financial statements of the Company and its subsidiaries for the financial year ended 31 March 2015 ("**FY2015**") (the "**FY2015 Audited Financial Statements**") with an emphasis of matter.

The nature and content of the emphasis of matter is contained in the Independent Auditors' Report to the FY2015 Audited Financial Statements which is annexed to this announcement.

Shareholders are advised to read the FY2015 Audited Financial Statements which will be despatched to shareholders in due course as part of the Company's Annual Report for FY2015.

By Order of the Board

Ho Yow Ping (He YouPing)
Chief Executive Officer

3 July 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.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MARY CHIA HOLDINGS LIMITED
(Incorporated in Singapore)

Report on the Financial Statements

We have audited the accompanying financial statements of Mary Chia Holdings Limited (the "Company") and its subsidiaries (collectively the "Group"), as set out on pages 8 to 69, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 March 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

**MARY CHIA HOLDINGS LIMITED
(Incorporated in Singapore)**

(cont'd)

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 to the financial statements which indicates that the Group incurred a net loss and a total comprehensive loss of S\$2,741,050 and S\$2,682,046, respectively during the financial year ended 31 March 2015 and, as of that date, the Group's current liabilities exceeded its current assets by S\$6,799,570. These conditions, along with other matters as set forth in Note 2 to the financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

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.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
3 July 2015

MARY CHIA HOLDINGS LIMITED
(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

2 Going Concern Assumption

The Group incurred a net loss and a total comprehensive loss of S\$2,741,050 and S\$2,682,046, respectively (2014: a net profit and a total comprehensive income of S\$3,017,827 and S\$3,069,165, respectively) during the financial year ended 31 March 2015 and, as of that date, the Group's current liabilities exceeded its current assets by S\$6,799,570 (2014: S\$8,428,745). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and to realise its assets and discharge its liabilities in the ordinary course of business.

Notwithstanding the above, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 March 2015 is still appropriate after taking into consideration the following:

- (a) The Group continues to implement measures to improve its services, increase its market competency and exposure in new businesses in order to improve its profitability and to generate positive cash flows from its operations. In this regard, management have prepared a cash flow projection, which shows the Group will have adequate working capital for its operations and to meet its obligations as and when they fall due.
- (b) The Group is reliant on loan facilities and it believes it has good track records or relationships with its principal lenders which enhance the Group's ability to maintain its current loan facilities and/or to obtain re-financing to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future. As at 31 March 2015, the Group has unutilised loan facilities amounting to S\$4,100,000 (Note 24) with its principal lenders.
- (c) The controlling shareholders, who are also directors of the Company, have given personal undertakings to provide continuing financial support to the Group. Further, as disclosed in Note 27 they will not demand repayment of the amounts due to them by the Group until the cash flows of the Group permit.

If the Group is unable to continue in operational existence for the foreseeable future and/or unable to maintain its loan facilities, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to the financial statements to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ from the amounts at which they are currently recorded in the balance sheet. In addition, the Group may have to provide for further liabilities which may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. No such adjustments have been made to these financial statements.