MARY CHIA
HOLDINGS LIMITED

ANNUAL REPORT 2015

MARY CHIA • URBAN HOMME • MCU BEAUTITUDES • MASEGO • HUANG AH MA • GO60 • LPG® ENDERMOSPA

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CORPORATE PROFILE

MARY CHIA HOLDINGS LIMITED ("MCH" and together with its subsidiaries, the "Group") is one of Singapore's leading lifestyle and wellness service providers. Listed on the SGX-ST Catalist on 11 August 2009, MCH is principally engaged in the provision of lifestyle and wellness services for both women and men at its lifestyle and wellness centres under the "Mary Chia" (for women), "Urban Homme" (for men), "GO60" (professionals, managers, executives and businessmen ("PMEBs")), "Masego" (for families), "Huang Ah Ma" (for tourists and PMEBs), "LPG Endermospa" (for PMEBs) and "MCU Beautitudes" (administered by aesthetic doctors) brands.

The Group's core services can be broadly categorised into (i) beauty and facial services; (ii) slimming services; and (iii) spa and massage services. Its ancillary business is in the sale of lifestyle and wellness products under the "MU" brand at its lifestyle and wellness centres.

MCH has also achieved the prestigious ISO 9001:2008 certification and was awarded with Singapore Prestigious Brand Award in 2005, Superbrands – Singapore's Choice in 2004/2005 and 2009 respectively, and was awarded one of the Top 3 Wellness Provider by AsiaOne's readers in 2010. In 2014, the Group is also proud to be presented the Singapore Service Class by SPRING Singapore in recognition of the Group's commendable performance in service excellence.

MARY CHIA™
body • face • spa

With over 30 years of specialised expertise in the field of weight management and skincare, Mary Chia Beauty and Slimming Specialist remains the preferred choice for many female customers looking for a trusted name in helping them achieve their desired physique and complexion.

In November 2014, Ms Chen Li Ping, Mary Chia's current brand ambassador, was invited to our anniversary roadshow in Jurong Point to share her wellness tips to her fans and our customers. Known for her "heavyweight" stature and stellar acting skills, Mary Chia has successfully helped Chen Li Ping shed 12 kilograms in two months.

The Group has also introduced MU V.TIVATE, a unique mist spray with multi benefits in one bottle, a new face rejuvenation product under the "MU" skincare range exclusively distributed by the Group. Since its launch, it has received a lot of positive reviews from the media and our customers.

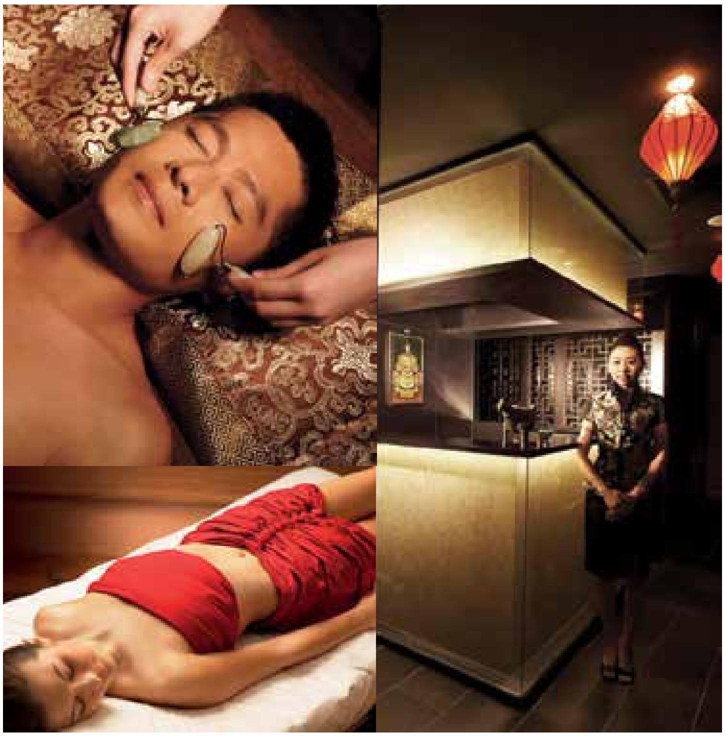
Urban Homme™
Face and Body Studio For Men

Urban Homme Face and Body Studio for Men has established itself as a pioneer brand in Singapore specialising in professional skincare and weight management services developed for men. The brand offers a full spectrum of clinically tested and proven skincare and weight management programmes. We believe the best testimony of our expertise is through real-life transformations from our customers who have personally experienced our face and body programmes.

Urban Homme has strategic partnerships with key partners to reinforce on its branding and to effectively reach out to the target market in Singapore. Urban Homme has been a supporter of the Men's Health Singapore Urbanathlon for 2 years running since 2014. Urban Homme has also been a production sponsor for several Pangdemonium Theatre Company's productions since 2013, such as Rabbit Hole, Frozen and Circle Mirror Transformation.

MASEGO
THE SAFARI SPA

Masego The Safari Spa is Singapore's first and largest safari-themed spa situated in SAFRA Jurong. The 6,500 sq ft spa houses 14 safari tents as treatment rooms, and can be used for holding group parties as well as corporate events. To cater to the demand of late night spa-goers in the West, Masego Spa has extended our operating hours to 1am daily.



皇阿瑪
THE ORIENTAL SPA CHAMBER
时尚养身馆

Huang Ah Ma, a hotel spa situated within Porcelain Hotel along Mosque Street, is part of the Group's plans to bring fresh concepts to the Singapore's market. This spa is decorated in an oriental setting and is well supported by ancillary hotel services. Located in the heart of the city, within Singapore's commercial and financial districts, the hotel spa concept offers a relaxing haven till 3am daily, catering to the needs of transient traffic, tourists and demand for after work hours massage and facial therapies.

In 2014, the Spa has also launched pre and post natal massage and recuperation therapies to its range of holistic services.

everything GOes at 60

GO60 is registered as a subsidiary brand under the Spa Menu business unit. The concept was developed based on evolving consumers' preference and trends, to cater to consumers who prefer to consume spa services on an "ala-carte" basis as compared to the traditional prepaid spa package model. GO60's everyday fixed price strategy of S$60 nett for all products and services offered within the boutique is seen as a refreshing alternative and has been favorably received by media and consumers alike since its launch in June 2012.

MCU
BEAUTITUDES
• PERFECTION IS AN ATTITUDE •

Addressing the need for safe and high quality medical aesthetic treatments, the Group launched MCU Beautitudes Medical Aesthetics Centre in December 2011 under its subsidiary, MCU Holdings Sdn Bhd.

With our flagship clinic located at Sunway Pyramid, adjacent to our Mary Chia Sunway Pyramid outlet, the medical aesthetics centre is well-poised to address the demand for high quality, medically proven aesthetics services demanded by both consumers residing in Kuala Lumpur, Malaysia as well as tourists and business travellers visiting this popular tourist destination in the Klang Valley.

endermospa

The LPG® Endermospa Day Spa Concept refers to centres dedicated to delivering the perfect performance of LPG® patented treatments. These centres remain true to LPG® philosophy of natural healing, natural beauty and natural wellness.

Today, over 50 LPG® Endermospa centres worldwide offer non-aggressive and non-invasive ultra-customised programmes for those seeking a slender body and radiant complexion. These expert centres are equipped with the latest Cellu M6® innovations. This patented technology is a painless and non-invasive approach, which uses mechanical stimulation of the skin to reactivate the deep dormant cellular activity. LPG® Endermospa is synonymous with professionally trained personnel and offers an exclusively developed treatment menu and treatment protocols by LPG® expert specialists.

In December 2014, the Mary Chia Group is pleased to announce the opening of the first Endermospa in Singapore. Our Group has the utmost conviction in the therapeutic benefits that Endermologie® offers and has been offering the LPG® technology for over 20 years in our lifestyle and wellness centres to our customers.

At LPG® Endermospa, customers can be assured that every treatment session is developed and designed by LPG® treatment master specialists. An elite handpicked team of dedicated LPG® therapists is also selected to perform these exclusive treatments. In addition, LPG® Endermospa also carries an exclusive and comprehensive range of LPG® skincare and body range of products in Singapore and Malaysia.

FINANCIAL AND OPERATIONS REVIEW

The financial year ended 31 March 2015 ("FY2015") proved to be a challenging year for the Group due to shortage of manpower, rising cost and intense competition in the Singapore's beauty industry.

FINANCIAL PERFORMANCE

The Group recorded revenue of S$15.1 million in FY2015, a decrease of S$2.1 million or 12.2% from S$17.2 million in the financial year ended 31 March 2014 ("FY2014"). The decrease in revenue was mainly attributed to the temporary closure of a Singapore outlet due to re-branding and renovation in October and November 2014; high staff turnover resulting in the deployment of resources to train newly employed staff; and slower growth in the local retail industry which had resulted in reduced customer spending and lower utilisation rate of pre-paid packages.

The Group's other operating income decreased by S$3.0 million or 83.3% from S$3.6 million in FY2014 to S$0.6 million in FY2015. The decrease was mainly due to lack of fair value gain recognized on investment property in FY2015 and the one-off income in FY2014 from provision of health management training courses to corporate clients.

The Group's purchase and related costs and changes in inventory in totality had increased by S$0.1 million or 14.3% 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 increased by S$0.3 million or 4.1% from S$7.3 million in FY2014 to S$7.6 million in FY2015. The increase was mainly due to increase in salary via increments and additional headcount employed to head our new Direct Selling Business; which is partially offset by reduced commission payout which is in line with decreasing revenue from the treatment segment.

Operating lease expenses increased by S$0.2 million or 4.8% from S$4.2 million in FY2014 to S$4.4 million in FY2015. The increase was mainly due to increase in monthly rental.

The Group's finance costs decreased marginally 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, despite the increase in borrowings towards the end of FY2015.

The Group's income tax expense increased by S$0.2 million from S$0.1 million in FY2014 to S$0.3 million in FY2015 as there was an increase in profit in investment holding segment and our Malaysia subsidiary turned profitable this year.

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.

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 costs 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).

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 utilisation 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$7.0 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.

REVIEW OF CASH FLOW

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.

OUTLOOK FOR THE FINANCIAL YEAR ENDING 31 MARCH 2016

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 2015, 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 FY2016. 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.

CHAIRMAN AND CEO'S STATEMENT

Dear Fellow Shareholders,

On behalf of the Board of Directors of Mary Chia Holdings Limited ("Mary Chia", or the "Company" and together with its subsidiaries, the "Group"), I am pleased to present the Annual Report of Mary Chia for the financial year ended 31 March 2015 ("FY2015").

FY2015 had been a challenging year for the Group. Some of the challenges we faced were the tight labor market with increasing rental pressures, intense competition within the Singapore's beauty industry and slowing growth in Asia.

Performance for FY2015

In FY2015, the Group had been operating under a challenging time within the retail and service sectors in Singapore, which often relies heavily on foreign labor. The government's recent introduction of tighter foreign labor restrictions and a higher quota of Singaporeans to foreign workers had resulted in many companies having to curtail their local expansion plans and review their existing compensation schemes to attract and retain local and permanent residents in order to sustain their business operations.

As such, any plan for further local expansion is placed on the back burner as the Company moves to consolidate its current manpower resources and seek innovative ways to increase productivity and maintain revenue growth through other avenues.

The Group recorded revenue of S$15.1 million in FY2015, a decrease of S$2.1 million or 12.3% from S$17.2 million in the financial year ended 31 March 2014 ("FY2014"). The decrease in revenue was mainly attributed to the temporary closure of a Singapore outlet due to re-branding and renovation in October and November 2014; high staff turnover resulting in the deployment of resources to train newly employed staff; and slower growth in the local retail industry which had resulted in reduced customer spending and lower utilisation rate of pre-paid packages.

The Group recorded a net loss of S$3.2 million attributable to equity holders of the Company in FY2015, as compared to a profit of S$1.3 million in FY2014. The decrease was mainly due to decrease in revenue of S$2.1 million; decrease in other operating income of S$3.0 million mainly resulted from no fair value gain recognised on investment property and the one-off income in FY2014 from provision of health management training courses to corporate clients; and an S$0.5 million overall increase in expenses. The decrease is offset by a decrease of S$1.2 million profit allocated to non-controlling interests.

Outlook

The dull property and stock market that has dampened consumer spending in FY2015 may continue into FY2016. Vast expansion of retail space in Singapore has seen new mall developments both in the Orchard Road and suburban areas. The fast moving, interconnected economy requires the Group to adopt an integrated approach when choosing solutions to improve service quality, customer retention, while engaging new customers and staff retention. Such solutions include incentive schemes, creative marketing initiatives and service quality training. Close engagement with our valued customers, partners and communities would continue to be our priority for FY2016 to promote healthy growth that supports a more-inclusive result, addressing challenges and creating enhanced opportunities.

As competition increases, the Group continues to face multiple challenges from industry competition to manpower scarcity which limits the capacity for growth. With the tightening of foreign labour measures in Singapore, the Group foresees higher staff cost and challenges in business operations. In anticipation, the Group since 2013 has worked closely with the Workforce Development Agency (WDA) to meet the pre-requisites to deliver beauty training courses under the Enterprise Training Support scheme. As at 15 May 2015, the Group has been appointed as an In-house Approved Training Organisation (ATO) with two accredited coursewares. The Group is able to provide training courses under the Enterprise Training Support scheme to both employees and public, which would enhance revenue and curb manpower scarcity. To curb manpower scarcity, the courseware will include on-the-job training program under the strict supervision of the instructor to ensure that the quality of our service delivery is not compromised.

Throughout FY2015, the Group has made progress in developing a new anti aging lifting product V'tivate, which was very well received. Furthering into product development, the Group had set up Organica International for direct selling business in Malaysia. The Group plans to launch its product in the second quarter of FY2016. The Group has since engaged an experienced management team to operate this new venture.

In Singapore, the Group had successfully signed a joint venture with Slim Beauty House. With more than 70 outlets throughout Japan, Slim Beauty House is the household name in slimming and beauty specialising in home aesthetic care machines in Japan. The first outlet in Singapore under the joint venture is targeted to open in the third quarter of FY2016.

Future plans for the Group includes an exclusive distributorship with a strategic partner to promote the Group's skincare products and supplements in Asia.

Together with the Company's management team, we will continue to seek out new markets both locally and regionally for business growth and also leverage on the global connectivity that e-commerce and mobile commerce offers.

With Appreciation

On behalf of the Board, I would like to extend my utmost appreciation to every member of our staff and management. Our people are the foundation upon which our every success lies. I am grateful for their continued and consistent passion, loyalty and commitment to the Group.

I wish to thank my fellow Board members for their wise counsel and support throughout the financial year.

Finally, to all shareholders, customers, suppliers, and business partners, my sincere thanks for your continued confidence and support to the Group.

Yours Sincerely,

Mary Chia
Executive Chairman

Wendy Ho
Chief Executive Officer

BOARD OF DIRECTORS

MARY CHIA
Executive Chairman

Ms Mary Chia is our Executive Chairman and the founder of Mary Chia Holdings Limited. She was appointed to our Board on 30 April 2009 and has been the executive chairman of Mary Chia Beauty & Slimming since its incorporation in 1994. Ms Mary Chia is responsible for the overall management, formulation of business plans, strategic positioning and business expansion of our Group. She has more than 30 years of experience in the lifestyle and wellness industry. Ms Mary Chia was awarded the Entrepreneur of the Year organised by Rotary–ASME in 2004.

Ms Mary Chia has attended several courses including the "Comprehensive Course incorporating Medical Beauty, Face Lifting and Cosmetic Acupuncture" organised by the International Medical Beauty Research Association and the "Beauty Lecturer Course" organised by the S.E. Asia (International) Beauty & Hair Research Association in 1989.

WENDY HO
Chief Executive Officer

Ms Wendy Ho is our Chief Executive Officer ("CEO") and was appointed to our Board on 30 April 2009.

Ms Wendy Ho has been the CEO of Mary Chia Beauty & Slimming since August 2003 and an executive director of Mary Chia Beauty & Slimming since its incorporation in 1994. She is responsible for the daily management and operations and directing our Group's overall strategy and growth. Ms Wendy Ho has more than 20 years of experience in the lifestyle and wellness industry and was awarded the Entrepreneur of the Year Award organized by Rotary-ASME in 2004.

Ms Wendy Ho holds a CIBTAC Diploma in Aesthetic Treatments - Credit and a Certificate from Singtrain Academy in Infant & Child massage/tuina which is accredited by CIBTAC. She has also attended several courses including the "Comprehensive Course incorporating Medical Beauty, Face Lifting and Cosmetic Acupuncture" organized by the International Medical Beauty Research Association and the "Beauty (Theories & Techniques) Course" organized by the S.E. Asia (International) Beauty & Hair Research Association in 1989.

YEUNG KOON SANG @ DAVID YEUNG
Independent Director

Mr Yeung Koon Sang @ David Yeung was appointed as our Independent Director on 11 June 2009. Mr David Yeung is the Chairman of Audit Committee and Remuneration Committee, and also a member of the Nominating Committee of the Company. Currently, he is the Lead Independent Director of the Company.

Mr David Yeung is currently a Director of Kreston David Yeung PAC, a professional company providing auditing, accounting and tax services, which was first founded by him as a sole proprietorship in 1987. He has over 30 years of experience in public accountancy and had worked previously with Deloitte & Touche, UK and Ernst and Young, Singapore and US.

Mr David Yeung holds a Master of Social Science (Accounting) degree from the University of Birmingham, England. He is a Public Accountant and a fellow of the Institute of Singapore Chartered Accountants and the Association of Chartered Certified Accountants, United Kingdom. Mr David Yeung was a council member of the National Council of Social Services, Chairman of the School Advisory Committee of Ang Mo Kio Secondary School and an honorary treasurer of the Radin Mas Citizen Consultative Committee. In 2001, he was conferred the Public Service Medal by the President of the Republic of Singapore.

CHIA CHOR LEONG

Independent Director

Mr Chia Chor Leong was appointed as our Independent Director on 22 September 2014.

Mr Chia is the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee of the Company.

Mr Chia has a Bachelor of Laws (Honours) degree from the University of Singapore in 1980 and was admitted as an advocate and solicitor of the Supreme Court of Singapore in 1981. He has been practising as an advocate and solicitor since 1981, and is presently a director in Citilegal LLC., a law corporation.

Mr Chia is a distinguished solicitor, a Fellow of the Singapore Institute of Arbitrators and a member of the Institute's Panel of Arbitrators, and an accredited Adjudicator as well as an accredited Associate Mediator with the Singapore Mediation Centre. He is also a commissioner for oaths as well as a notary public.

Mr Chia had served as the Chairman of the Criminal Law Advisory Committee (Review) of the Ministry of Home Affairs, Singapore. He is the Chairman of the External Placement Review Board and a member of the Independent Review Panel, under the Ministry of Home Affairs. He is also a member of the Singapore Road Safety Council. In recognition of his voluntary public service, Mr Chia was awarded the Pingat Bakti Masyarakat (Public Service Medal) in 2000 and the Bintang Bakti Masyarakat (Public Service Star) in 2007.

PAO KIEW TEE

Independent Director

Mr Pao was appointed as our Independent Director on 10 December 2012. He is a member of the Audit, Nominating and Remuneration Committees.

Mr Pao is a Senior Government Auditor currently holding the position of Senior Group Director. As a senior auditor, he leads teams in the audit of government ministries and statutory boards. Prior to joining the Singapore Government in 1979, Mr Pao was with an accounting firm in New Zealand between 1977 and 1978. From graduation in 1974 to 1977, Mr Pao worked for the Commercial Bank of Australia in New Zealand.

Mr Pao is currently an independent director or chairman of three other public listed companies in Singapore, namely Imperium Crown Limited (formerly known as Communication Design International Limited), Jubilee Industries Holdings Limited and Logistics Holdings Limited. He held the position of honorary treasurer or honorary secretary of the Serangoon Gardens Country Club for several years between 1998 and 2012. He is also active in various grassroots organisations.

Mr Pao holds a Bachelor of Commerce (Accounting) degree from the University of Otago, Dunedin, New Zealand in 1974. He is a Fellow Chartered Accountant of Singapore.

KEY MANAGEMENT

MR SIMON OOI

Managing Director
(MCU Holdings Sdn Bhd, Malaysia)

Mr Simon Ooi joined our Group as Managing Director of MCU Holdings Sdn Bhd in May 2009. He is responsible for overseeing the Group's Malaysia operations and business development.

Prior to joining our Group, he worked in Herbaline Beauty Group as an executive and marketing Director from 2007 to 2009. From 2006 to 2007, he was the general manager of LuXOR Beauty World Sdn Bhd and prior to that, he was the marketing and operation manager of Adonis Beauty Group for 7 years from 2000 to 2006.

Mr Ooi is a professional advisor in Beauty and Slimming Nutrition, a columnist in the beauty and slimming section of various newspapers and magazines and starred as a specialist guest on Ai FM radio channel, 8TV channel, NTV7 channel's slimming, healthy and beauty sessions in Malaysia.

He holds a Bachelor of Science degree from National Taiwan University. He also received a Public Speaking certification from the accredited Malaysian Speakers' Association.

MS CHEONG KUEI JUNG

Financial Controller

Ms Cheong Kuei Jung has been appointed as the Company's Financial Controller since 2 June 2014. She is responsible for the full spectrum of the finance and accounting functions, as well as budgeting, managing of cash flow and treasury function, corporate secretarial, taxation matters and ensuring compliance of statutory audit requirements for the Group.

Prior to joining the Group, Ms Cheong worked with Success Resources Pte Ltd from 2012 to 2013 and Asia Environment Holdings Limited from 2009 to 2012 as the group finance manager. Between 2005 and 2008, she worked with KPMG LLP as a senior assistant and was then promoted to Manager. She was an auditor with BDO International from 2001 to 2005.

Ms Cheong is a non-practising member of the Institute of Singapore Chartered Accountants and a fellow member of the Association of Chartered Certified Accountants of United Kingdom. She holds a Bachelor of Art and Social Science majoring in Economics from the National University of Singapore.

FINANCIAL CONTENTS

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board") of Mary Chia Holdings Limited (the "Company" and together with its subsidiaries the "Group"), is committed to maintaining high standards of corporate governance. Good corporate governance provides the framework for an ethical and accountable corporate environment, which will protect the interests of the Company's shareholders and promote investors' confidence. This report outlines the Company's corporate governance practices and structures in the financial year ended 31 March 2015 ("FY2015"), with specific reference made to each of the principles of the Code of Corporate Governance 2012 (the "Code") and any deviations from the Code are explained. The Company has complied with the principles of the Code where appropriate.

Board Matters

1. The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with the management to achieve this objective and the management remains accountable to the Board.

The Board is involved in the supervision of the management of the Group's operations. All Directors shall discharge their fiduciary duties and responsibilities at all times in the interests of the Group. Matters which specifically require the Board's decision or approval include:

- corporate strategies, business plan and direction of the Group;
- major funding and investment proposals;
- nomination and appointment of directors to the Board and appointment of key personnel;
- interested person transactions;
- half and full year financial results announcement, the annual report and reporting accounts;
- declaration of interim dividends and proposal of final dividends;
- material acquisition and disposal of assets; and
- all other matters of strategic importance relating to the Group.

The Board has delegated specific responsibilities to three Board committees, namely the Audit Committee, Remuneration Committee and Nominating Committee. These committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis.

The Board meets at least twice in each financial year to coincide with the announcements of the Group's half year and full year financial results. Additional ad-hoc meetings are held where circumstances require to address any specific or significant matters that may arise. The Company's Articles of Association allows a Board meeting to be conducted by way of tele-conference and video conference.

CORPORATE GOVERNANCE REPORT

The number of meetings held and attended by each Director for the financial year under review is set out below:

Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mary Chia Ah Tow[1]	2	2	2	2	1	1	1	1
Ho Yow Ping (He YouPing) [1]	2	2	2	2	1	1	1	1
Yeung Koon Sang @ David Yeung	2	2	2	2	1	1	1	1
Pao Kiew Tee	2	2	2	2	1	1	1	1
Chia Chor Leong[2]	2	1	2	1	1	-	1	-
Ong Teck Ghee[3]	2	1	2	1	1	1	1	1

Note:

(1) Ms Mary Chia Ah Tow and Ms Ho Yow Ping (He YouPing) attended the Audit Committee meetings, Nominating Committee meeting and Remuneration Committee meeting as invitees.

(2) Mr Chia Chor Leong was appointed as a director on 22 September 2014 and also appointed as Chairman of Nominating Committee and member of the Audit Committee and Remuneration Committee on the same day.

(3) Mr Ong Teck Ghee resigned as a director on 6 June 2014.

Newly-appointed Directors will be given an orientation program with materials provided to familiarise themselves with the business and organisational structure of the Group. Directors are also given an opportunity to visit the Group's business units and meet with management staff to get a better understanding of the Group's operations. Each newly appointed Directors will receive an induction covering the Company's business operation, policies and procedures as well as statutory and regulatory obligations of being a Director to ensure that he/she has a proper understanding of the Group and is fully aware of his/her responsibilities and obligations of being a director of the Company. Upon appointment of each Director, the Company will also provide a formal letter to each Director which sets out their duties and obligations.

The Company is responsible for arranging and funding the training of Directors. All Board members are provided with regular updates on the changes in the relevant laws and regulations and financial reporting standards to enable them to make well-informed decisions and to ensure they are competent in carrying out their expected roles and responsibilities. Where appropriate, the Company will arrange for Directors to attend seminars and receive training to improve themselves in discharging of their duties as Directors. The Company also works closely with professionals as and when appropriate to provide its Directors with updates in changes to relevant laws, regulations and accounting standards.

In FY2015, the Company's external auditors, Messrs Moore Stephens LLP, updated the Board on the changes in accounting standards. The Executive Chairman and Chief Executive Officer ("CEO") also updated the Directors on the trends, developments and regulatory changes in the beauty and wellness industry, including foreseeable events that may have any impact on the Group.

2. Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

In FY2015, the Board consisted of two (2) executive and three (3) independent directors as follows, who bring a wide range of business, legal and financial experience relevant to the Group:

Mary Chia Ah Tow	Executive Chairman
Ho Yow Ping (He YouPing)	Chief Executive Officer
Yeung Koon Sang @ David Yeung	Lead Independent Director
Pao Kiew Tee	Independent Director
Chia Chor Leong (Appointed on 22 September 2014)	Independent Director

The Company endeavours to maintain a strong and independent element on the Board. There were three (3) independent directors ("IDs") on the Board for the financial year under review which made up more than half of the Board, thereby meeting the requirement of the Code which stipulates that where (1) the Executive Chairman and the CEO are immediate family members; (2) the Executive Chairman is part of the management; and (3) the Executive Chairman is not an independent director, independent directors should make up at least half of the Board.

All the Board committees are chaired by the IDs. The IDs had confirmed that they did not have any relationship with the Company or its related corporations, its officers or its shareholders with shareholding of at least 10% or more in the voting shares of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Company and its shareholders. The Company adopts the Code's definition of what constitutes an independent director in their review.

The Board members comprise seasoned professionals with management, financial, accounting and relevant industry backgrounds. Its composition enables the Management to benefit from a diverse and objective external perspective on issues raised before the Board. The Board considers that its Directors possess the necessary competencies to lead and govern the Company effectively. Details of the Board members' qualifications and experience are presented in this annual report under the section "Board of Directors".

The Nominating Committee ("NC") is responsible for reviewing the independence of the IDs on an annual basis. A member of the NC should not participate in the deliberation in respect of his independence as an independent director. The NC had reviewed and determined that all the IDs are independent based on the results of the annual assessment.

As a Group, the Directors bring with them a board range of expertise and experience in areas such as accounting, finance, legal, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge. The diversity of the Directors' experience allows for the useful exchange of ideas and views.

The profile of the Directors is set out in the "Board of Directors" section of the Annual Report.

The IDs provide, among other things, strategic guidance to the Company based on their professional knowledge, in particular, assisting, constructively challenging and developing strategic proposals.

The Board is of the opinion that, given the scope and nature of the Group's operations, the present size of the Board is appropriate in facilitating effective decision making.

The IDs will constructively challenge and assist in the development of proposals on strategy, and assist the Board in reviewing the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance. When necessary, the IDs will hold discussions amongst themselves without the presence of Management and Executive Directors to facilitate a more effective check on Management and/or Executive Directors.

There are no independent directors who have served beyond nine (9) years since the date of their first appointment.

3. Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Company has a separate Executive Chairman and CEO. Ms Mary Chia Ah Tow is the Executive Chairman of the Board and Ms Ho Yow Ping (He YouPing); daughter of Ms Mary Chia Ah Tow, is the CEO.

The Executive Chairman leads the Board discussions and deliberation and also ensures that the Board meetings are held when necessary. She sets the meeting agenda and ensures that the Directors are provided with complete, adequate and timely information. She also assists in ensuring compliance with the Group's guidelines on corporate governance.

The CEO is responsible for the day-to-day management of the business. She has executive responsibilities in the business directions and operational efficiency of the Group. She also oversees the execution of the Group's corporate and business strategy set out by the Board and ensures that the Directors are kept updated and informed of the Group's business.

Although the Executive Chairman and the CEO are related to each other, the Board is of the view that the process of decision making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence. All Board committees are chaired by the IDs and more than half of the Board consists of IDs. As such, there are adequate accountability and safeguards to ensure an appropriate balance of power and authority for good corporate governance.

Shareholders with concerns may contact the Lead Independent Non-Executive Director - Mr Yeung Koon Sang @ David Yeung (auditcommittee@marychia.com) directly, when contact through the normal channels via the Executive Chairman, CEO or the Financial Controller has failed to provide a satisfactory resolution or when such contact is inappropriate.

The Independent Directors had met once without the presence of the other Directors and thereafter, provide feedback to the Chairman after such meetings for the financial year in review.

4. Board Membership

Principle 4: There should be a formal and transparent process for the appointment and reappointment of directors to the Board.

In FY2015, the NC comprised Mr Chia Chor Leong (appointed on 22 September 2014), Mr Pao Kiew Tee, and Mr Yeung Koon Sang @ David Yeung, all of whom, including the Chairman of the NC, were IDs.

The Chairman of the NC is Mr Chia Chor Leong. He and Mr Ong Teck Gee, the previous chairman who resigned on 6 June 2014, are not directly associated[1]to a substantial shareholder of the Company.

The NC has adopted specific terms of reference and is responsible for, *inter alia*:

(a) Appointment of new Directors with the appropriate profile in regards to their expertise, experiences, industry background, track record and competencies;

(b) Re-nomination of the Directors having regard to the Director's contribution and performance;

(c) Determining on an annual basis whether or not a Director is independent;

(d) Reviewing the composition of the Board and make recommendations on the performance criteria and appraisal process to be used in the evaluation of individual directors; and

(e) Assessing the effectiveness of the Board as a whole and deciding whether or not a Director is able to and has been adequately carrying out his/her duties as a Director.

Where a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new director with particular skills or experience, the NC, in consultation with the Board, determines the selection criteria and selects the candidate with the appropriate expertise and experience for the position. The search and nomination process for new directors, if any, will be through contacts and recommendations provided by the Management. The NC will review, assess and meet with the candidates before making recommendation to the Board. In recommending new directors to the Board, the NC takes into consideration the skills and experience required to support the Group's business activities and strategies, the current composition and size of the Board, and strive to ensure that the Board has an appropriate balance of independent directors as well as directors with the right profile, expertise, skills, attributes and ability. Upon confirmation, the new Directors will be appointed by way of board resolution. Such new directors will submit themselves for re-election at the next annual general meeting of the Company in accordance to the Company's Articles of Association.

The NC decides on how the Board's and Board Committees' performance are to be evaluated and proposes performance criteria, with an objective on how long-term shareholders' value was enhanced, subject to the approval of the Board. The NC establishes the process for assessing the effectiveness of the Board as a whole, Board Committees and the contribution by each individual Director to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolutions and making any recommendations or participating in any deliberations in respect of the assessment of his or her performance or re-nomination as Director.

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1 A director will be considered "directly associated" to a substantial shareholder when the director is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder.

CORPORATE GOVERNANCE REPORT

Pursuant to the provisions of Article 98 of the Company's Articles of Association, all Directors are subject to re-nomination and re-election at regular intervals of at least once every three years. At each annual general meeting, at least one third of the Directors are required to retire from office and submit themselves for re-election.

The NC recommended to the Board that Ms Ho Yow Ping (He YouPing), Mr Pao Kiew Tee and Mr Chia Chor Leong be nominated for re-election at the forthcoming annual general meeting ("AGM2015"). Mr Pao Kiew Tee will, upon re-election as a Director, remain as member to the Audit Committee, Remuneration Committee and Nominating Committee. Mr Chia Chor Leong will upon re-election as a Director, remain as Chairman of Nominating Committee and a member to the Audit Committee and Remuneration Committee.

Mr Pao Kiew Tee and Mr Chia Chor Leong will be considered independent for the purposes of Rule 704(7) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules").

In making the recommendation, the NC has reviewed and is satisfied of the said Directors' overall contributions and performance. The above Directors have offered themselves for re-election and the Board has accepted the recommendations of the NC.

The year of initial appointment and last re-election of each Director as well as their present and past directorships in other listed companies and principal commitments as at the date of this report are set out below:-

Director	Date of initial appointment	Date of last re-election	Current directorships in listed companies	Past directorships in listed companies (preceding three years)	Principal Commitment
Mary Chia Ah Tow	30 April 2009	23 July 2014	Nil	Nil	Nil
Ho Yow Ping (He YouPing)	30 April 2009	26 July 2012	Nil	Nil	Nil
Yeung Koon Sang @ David Yeung	11 June 2009	23 July 2014	1. Ace Achieve Infocom Ltd 2. AEI Corporation Ltd 3. Southern Packaging Group Ltd 4. United Envirotech Ltd 5. CNA Group Ltd	China Flexible Packaging Holdings Ltd	Kreston David Yeung PAC
Pao Kiew Tee	10 December 2012	25 July 2013	1. Imperium Crown Limited (formerly known as Communication Design International Limited) 2. Jubilee Industries Holdings Ltd 3. Logistics Holdings Ltd	Nil	Government auditor
Chia Chor Leong	22 September 2014	NIL	1. Frencken Group Limited	Resources Holdings Limited	CitiLegal LLC

Multiple board representation

The NC has considered and is of the view that it will not set a limit on the number of directorships that a Director may hold because each Director has different capabilities, and the nature of the organizations in which they hold appointments and the kind of committees on which they serve are of different complexities. The NC will continue to monitor and assess the demands of each Director's competing directorships and obligations to ensure each Director has given sufficient time and attention to the affairs of the Company and has adequately discharge his duties to the Company. Based on its assessment, the NC will then determine, if required, the maximum number of directorships each Director can hold.

There is no alternative director being appointed by the Board.

The NC had reviewed and is satisfied that in FY2015, the Independent Directors who have multiple board representations, were able to devote adequate time and attention to the affairs of the Company to fulfill their duties as Directors of the Company.

5. Board Performance

Principle 5: There should be formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each Director to the effectiveness of the Board.

The NC evaluates the performance of the Board as a whole and Board Committees based on performance criteria set by the Board. The criteria for assessing the Board's and Board Committees' performance include the Board's composition and size, processes, accountability, standard of conduct and performance of its principal functions and fiduciary duties, and guidance to and communication with the Management. The level of contribution to Board meetings and other deliberations are also considered.

During FY2015, Directors were requested to complete a self-assessment checklist based on the above areas of assessment to assess the overall effectiveness of the Individual Directors, Board and Board Committees. The results of these checklists were considered by the NC which made recommendations on the re-nomination of Directors to the Board to help the Board in discharging its duties more effectively.

The NC had assessed the current Board's and Board Committees' performance to-date and is of the view that the performance of the Board as a whole was satisfactory. Although some of the Board members have multiple board representations, the NC has reviewed the assessments and evaluations done, and is satisfied that sufficient time and attention have been given by these Directors to the Group.

No external facilitator was engaged for the evaluation process in FY2015.

6. Access to information

Principle 6: In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Management provides the Board with complete, adequate and timely information prior to Board meetings and on an on-going basis. Where a decision has to be made, the necessary information is provided to the Directors in a timely manner to enable them to make informed decisions.

All Directors are from time to time furnished with information concerning the Group to enable them to be fully cognizant of the decisions and actions of the Group's executive management. The Board has unrestricted access to the Company's records and information.

The Board has separate and independent access to the Management and the Company Secretary at all times. The Company Secretary is present at all Board meetings to ensure that Board's procedures are followed, and the relevant rules and regulations are complied with. The minutes of the Board and Board Committees' meetings are circulated to the Board.

The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows:

- Ensuring that Board procedures are observed and that the Company's Memorandum and the Articles, relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act and the Catalist Rules are complied with;
- Assists the Chairman and the Board to implement and strengthen corporate governance practices;
- Assists the Chairman to ensure good information flows within the Board and its committees and key management personnel;
- Keeps the Board apprised on new Rules and Regulations;
- Attends and prepares minutes for all Board meetings;
- As secretary to all the other Board Committees, the Company Secretary assists to ensure coordination and liaison between the Board, the Board Committees and key management personnel; and
- Assists the Chairman, the chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committee meetings.

Management deals with requests for information from the Board promptly and consults the Board members regularly whenever necessary and appropriate.

Should the Directors, whether individually or as a group, require independent advice on any specific issues, they may engage independent professionals at the Company's expense to enable them to discharge their duties with adequate knowledge on the matters being deliberated.

7. Remuneration Committee

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his or her own remuneration.

In FY2015, the Remuneration Committee ("RC") comprised Mr Yeung Koon Sang @ David Yeung, Mr Pao Kiew Tee, and Mr Chia Chor Leong (appointed on 22 September 2014), all of whom, including the Chairman of the RC, are IDs.

The Chairman of the RC is Mr Yeung Koon Sang @ David Yeung.

The key terms of reference of the RC, *inter alia*, are as follows:

(a) to review and recommend to the Board the terms of renewal for those Executive Directors whose current employment contracts will be expiring or had expired;
(b) to consider the various disclosure requirements for directors' remuneration, particularly those required by regulatory bodies such as SGX and to ensure that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties;
(c) to make recommendations to the Board on the Company's framework of remuneration, the specific remuneration packages for each Executive Director and the CEO or executive of relevant rank if the CEO is not a Director;
(d) to engage such professional consultancy firm as the RC may deem necessary to enable it to discharge its duties hereunder satisfactorily;
(e) to carry out such other duties as may be agreed to by the RC and the Board; and
(f) to perform an annual review of the remuneration, bonuses, increases and/or promotions of employees related to our Directors and/or substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scope and level of responsibilities.

The RC recommends to the Board a framework of remuneration for the Directors and Executive Officers, and determines specific remuneration packages for the Executive Chairman and CEO. The RC submits its recommendations to the Board for endorsement. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind are covered by the RC. Each member of the RC shall abstain from voting on any resolutions and making recommendations or participating in any deliberations in respect of his or her remuneration package.

8. Level and mix of remuneration

Principle 8: The level and structure of remuneration should be aligned with the long term interest and risk policies of the Company. Appropriate remuneration to attract, retain and motivate directors and key management but should avoid paying more than is necessary for this purpose.

The RC performs an annual review and ensures that the remuneration packages are comparable within the industry and with similar companies and will also take into consideration the Group's relative performance and the contributions and responsibilities of the individual Directors.

The Board had considered the RC's recommendation and the Company had renewed the service agreements with the Executive Directors, Ms Mary Chia Ah Tow and Ms Ho Yow Ping (He YouPing), in relation to their appointments as Executive Chairman and CEO respectively, for a period of 3 years from 11 August 2012, under the same terms and conditions of the previous service agreements.

The IDs are compensated based on fixed directors' fees taking into considerations their contributions, responsibilities and time spent. Their fees are recommended to shareholders for approval at the annual general meeting of the Company.

There are no extraordinary termination, retirement and post-employment benefits granted to the Directors and the top six key management personnel. The compensation for immediate termination is the amount of remuneration in relation to the notice period unless termination is due to misconduct, where no compensation will be granted.

If necessary, the RC may seek expert advice outside the Company on remuneration of the Directors and key executives. The RC ensures that in the event of such advise being sought, existing relationships, if any, between its Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. The Company has not appointed any remuneration consultants for FY2015.

9. Disclosure on remuneration

Principle 9: Clear disclosure on remuneration policy, level and mix of remuneration and the procedure for setting remuneration.

The Company adopts a policy of rewarding its Executive Directors, key executives and managers by way of a basic salary and a variable component comprising variable bonus which is based on individual performance as well as the performance of the Group as a whole. The level and structure of the remuneration are aligned with the market practice to ensure competitive compensation for our Executive Directors, key management personnel and managers. For Executive Directors and key management personnel, performance conditions for short term incentives, such as performance bonus, are based on a percentage of profit before tax.

Directors	**Salary %**	**Bonus %**	**Fees %**	**Other Benefits %**	**Total %**
S$250,000 to S$500,000					
Mary Chia Ah Tow	100	-	-	-	100
Ho Yow Ping (He YouPing)	100	-	-	-	100
Below S$250,000					
Yeung Koon Sang @ David Yeung	-	-	100	-	100
Ong Teck Ghee (Resigned on 6 June 2014)	-	-	100	-	100
Chia Chor Leong (Appointed on 22 September 2014)	-	-	100	-	100
Pao Kiew Tee	-	-	100	-	100

Due to confidentiality and competitive pressures in the industry and talent market and to prevent poaching of key management personnel, the Company shall not fully disclose the remuneration of individual Directors and the top six key management personnel on a named basis. Instead, the remuneration paid to each Director and the top six key management personnel for the financial year shall be presented in bands of S$250,000.

The top six key management personnel of the Group (excluding the CEO) in each remuneration band in FY2015 were as follows:

Key Executives	**Salary %**	**Bonus %**	**Fees %**	**Other Benefits %**	**Total %**
Below $250,000					
Simon Ooi	93.5	6.5	-	-	100
Ng Wee Seng	97	3	-	-	100
Cheong Kuei Jung	100	-	-	-	100
Ang Geok Pheng Jenny	100	-	-	-	100
Sharon Tan Hui Fen (Resigned on 31 January 2015)	100	-	-	-	100
Yvette Chiang Yian Peng	100	-	-	-	100

None of the key management personnel above is related in any way to the Executive Chairman or the CEO and Directors of the Company.

The aggregate of the total remuneration paid to the top six key executives (who were not Directors or CEO) was S$441,522.

Mr Ho Yuen Kwan, who is the son of the Executive Chairman and the brother of the CEO, has an annual remuneration of between S$50,000 to S$100,000.

The Company did not have any employee share option scheme for FY2015.

There were no termination or retirement benefits, as well as post-employment benefits that are granted to the directors, Managing Directors and CEO and key management.

10. Accountability and audit

Accountability

Principle 10: Board to present balanced and understandable assessment of the Company's performance, position and prospects.

The Board is accountable to shareholders and disseminates information on the Group's performance, position and prospects through the half year and full year financial results announcement as well as the annual report. The Board also furnishes timely information and ensures full disclosure of material information to shareholders via SGXNET or press releases.

The auditors of the Company's subsidiaries are disclosed in note 14 to the financial statements in this annual report.

11. Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interest and the company's assets, and should determine the nature and extent of the significant risk which the Board is willing to take in achieving its strategic objectives.

The Company does not have a Risk Management Committee. However, the Management regularly reviews the Company's businesses and operational activities to identify areas of significant business risks and takes appropriate measures to minimise these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to the Directors and the AC. The Management and Directors have also considered the various financial risks, details of which are disclosed in the notes to the accompanying audited financial statements.

The AC will ensure that a review of the effectiveness of the Group's material internal controls, including financial, operational, compliance controls and risk management is conducted annually by the Management, external and internal auditors. The AC will review the audit plans, and the findings of the external auditors and internal auditors, and will ensure that the Group follows up on the external and internal auditors' recommendations raised, if any, during the audit process.

In its review of the external auditors' examination and evaluation of the system of internal controls for FY2015, to the extent of the scope as laid out in their audit plan, no significant weakness in the system has come to the attention of the AC to cause it to believe that the system of internal controls is inadequate.

In FY2015, the Board had received assurance from the CEO and Financial Controller that:

(a) the financial records have been properly maintained and the financial statements for FY2015 give a true and fair view of the Company's operations and finances; and

(b) the Company's risk management and internal controls system are effective.

At present, the Board relies on the assurance provided by Management, internal audit report prepared by the internal auditors, external audit report and management letter prepared by the external auditors on any material non-compliance or internal control weaknesses. There were no major internal control weaknesses highlighted by the external auditors and the internal auditor for the attention of AC for FY2015.

Based on the internal controls established and maintained by the Group, works performed by the internal and external auditors and reviews performed by the Management, the AC and the Board are of the opinion that the Group's system of internal controls and risk management systems, addressing financial, operational, compliance and information technology risks, were adequate and effective for FY2015.

The Company acknowledges that it is important to have sustainability and would implement appropriate policies and programmes when the opportunities arises.

12. Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly sets out its authority and duties.

In FY2015, the Audit Committee ("AC") comprised Mr Yeung Koon Sang @ David Yeung, Mr Pao Kiew Tee, and Mr Chia Chor Leong (appointed on 22 September 2014), all of whom, including the Chairman of the AC, are IDs. The Chairman of the AC is Mr Yeung Koon Sang @ David Yeung.

The Board is of the view that the members of the AC have sufficient accounting and financial management expertise and experience to discharge the AC's functions. The AC carried out its functions in accordance with the Companies Act, Catalist Rules, the Code, and its terms of reference.

The AC assists the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records, and develop and maintain effective system of internal controls, with the overall objective of ensuring that the Management creates and maintains an effective controls environment in the Group. The AC provides a channel of communication between the Board, the Management and external auditors on matters relating to audit.

The AC meets at least twice a year to discuss and review the following, where applicable:

(a) Review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to Management and the Management's response;

(b) Review the financial statements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Catalist Rules and any other relevant statutory or regulatory requirements;

(c) Review the internal controls procedures and ensure co-ordination between the external auditors and the Management, review the assistance given by the Management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management, where necessary);

(d) Review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;

(e) Consider the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of auditors;

(f) Review interested persons transactions (if any) and potential conflicts of interest (if any) falling within the scope of Chapter 9 of the Catalist Rules;

(g) Undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(h) Generally undertake such other functions and duties as may be required by the statute or the Catalist Rules, or by such amendments as may be made thereto from time to time; and

(i) Review the key financial risk areas, with a view to provide independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual report or, where the findings are material, announced immediately via SGXNET.

In addition, all transactions with interested persons shall comply with the requirements of the Catalist Rules. In the event that a member of the AC is interested in any matter being considered by the AC, he shall abstain from reviewing and deliberating on that particular transaction or voting on that particular transaction.

Apart from the duties listed above, the AC shall commission and review the findings of internal investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results or financial position or both.

The AC also has the power to investigate any matter brought to its attention, within its terms of reference, with the power to obtain professional advice at the Company's expense. The AC has full access to and the co-operation of the Management, as well as full discretion to invite any Director or Executive Officer to attend the meetings and has been given reasonable resources to enable it to discharge its functions properly.

The AC met with the external auditors without the presence of any Executive Director and Management personnel in FY2015.

Messrs Moore Stephens LLP had been appointed as the Company's external auditors since 28 May 2009 and Mr Ng Chiou Gee Willy is the current audit engagement partner in charge of the audit of the Company since financial year 2015.

There were no non-audit fees incurred for FY2015.

The AC is also satisfied with the level of co-operation rendered by the Management to the external auditors and the adequacy of the scope and quality of their audits.

The Company confirms that Rules 712 and 715 of the Catalist Rules have been complied with. The AC had recommended to the Board the nomination of Messrs Moore Stephens LLP for re-appointment as auditors of the Company at the AGM2015.

The Company had instituted a whistle-blowing policy to provide a channel for employees of the Group to report in good faith and in confidence, without fear of reprisals, concern about possible improprieties in financial reporting and other matters. The objective of the policy will ensure that there is independent investigation of such matters and that appropriate follow up actions will be taken. The AC exercises the overseeing function over the administration of the policy. Staff is given direct access to the AC via email (auditcommittee@marychia.com). Once a complaint is lodged, the AC will direct Management to investigate and review any report findings as well as follow up actions taken.

The AC members are kept abreast of the changes to accounting standards and issues which have a direct impact on financial statements through the external auditors during the AC meetings.

13. Internal Audit

Principle 13: The Company should establish an internal audit function that is independent of the activities it audits.

The AC is aware of the need to establish a system of internal controls within the Group to safeguard the shareholders' interests and the Group's assets, and to manage risk. The size of the operations of the Group does not warrant the Group to have an in-house internal audit function.

The Board, with recommendation from AC, has appointed BDO LLP, a professional consultancy firm, to carry out the internal audit function.

BDO LLP assists the Company in reviewing the adequacy and effectiveness of the Company's internal controls based on an annual internal audit plan that covers applicable financial, operational, compliance and information technology controls. As part of the internal audits, they also provide recommendations to the AC to address any weaknesses in its internal controls.

BDO LLP performs annual internal audit planning in consultation with, but independent of the Management. The internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. In addition, the internal auditors may be involved in *ad hoc* projects initiated by the Management which require the assurance of the internal auditors in specific areas of concerns. BDO LLP is provided with access to the Company's properties, information and records and performs their reviews in accordance with the BDO Global IA methodology which is consistent with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. As the Company's outsourced internal auditors, BDO LLP is required to provide staff of adequate expertise and experience to conduct the internal audits.

BDO LLP reports to the AC on internal audit matters. The AC also reviews and approves the annual internal audit plans and resources to ensure that BDO LLP has the necessary resources to adequately perform its functions.

The Company's internal auditors have conducted its third year of a 3-year audit plan which includes reviews of financial, operational and compliance controls and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews the effectiveness of actions taken by the management on the recommendations made by the internal auditors in this respect. The AC is satisfied that the internal audit function is adequately resourced and has the appropriate standing within the Group.

14. Communication with Shareholders

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Principal 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Principle 16: Companies should encourage greater shareholder participation at annual general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Board is mindful of its obligation to provide timely and fair disclosure of material information to shareholders. Shareholders are kept abreast of financial results and other material information concerning the Group through regular and timely dissemination of information through:

- The annual report that is despatched to all shareholders within the mandatory period;
- announcements on the SGXNET at www.sgx.com; and
- the Company's website at www.marychia.com through which shareholders can access information on the Group. An email address is also provided at the Company's website for shareholders and potential investors to send their enquiries.

All shareholders of the Company will receive the notice of annual general meeting and/or extraordinary general meeting and such notice will also be advertised in the newspapers. The Executive Chairman and the Directors attend the annual general meetings and are available to answer questions from the shareholders. The Chairman of the Board, AC, NC and RC and the external auditors will also be present to assist the Directors in addressing any relevant queries from shareholders. The Company held its last annual general meeting in July 2014. The Board considers the annual general meeting as the main forum where dialogue with shareholders can be effectively conducted. The Company will consider the use of other forum set out in the Code as and when such needs arise.

The Articles of Association of the Company allow members of the Company to appoint not more than two proxies to attend and vote on their behalf.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends would depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate that are beneficial to the Company. Notwithstanding the above, any declaration of dividends is clearly communicated to the shareholders via SGXNET.

Taking into consideration the above mentioned factors, the Group did not declare any dividends for FY2015.

Minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management will be prepared and shall be made available to shareholders upon their request.

The Company ensures that there are separate resolutions at general meetings on each distinct issue. Resolutions are put to vote by hand at the general meetings of the Company. The Company will adopt voting by poll from August 2015 in compliance with the Catalist Rules.

15. Dealing in Company's Securities

In line with Rule 1204(19) of the Catalist Rules, the Group has adopted an internal code of conduct to provide guidance to its Directors and officers with regard to dealings in the Company's securities. The Company, Directors and officers of the Company should not deal in the Company's securities on short term considerations and during the period of one (1) month prior to the announcement of the Company's half year and full year financial results and ending on the date of the announcement of the relevant financial results. Directors and officers are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. The Directors and officers are also required to adhere to the provisions of the Companies Act, and any other relevant regulations with regard to their securities transactions.

16. Interested Persons Transactions ("IPTs")

The Company has established procedures to ensure that all transactions with interested persons are reported to the AC which are reviewed, at least twice a year, to ensure that they are carried out at arm's length and in accordance with the established procedures.

The Group does not have a general mandate for IPTs.

CORPORATE GOVERNANCE REPORT

The IPTs transacted in FY2015 by the Group were as follows:-

Name of Interested Person	Aggregate value of all IPTs during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S$	Aggregate value of all IPTs conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$
JL Asia Resources Pte Ltd (1) Operating lease rental income	1,567,643	-
Lee Boon Leng (2) Loan to non-controlling interest	4,900,000	-

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 costs to the new loan will be billed to the Company and Mr Lee proportionately. Interest will be charged "back-to back" to the party utilizing the funds. Interest rate of 2% per annum over and above the prevailing 3 months SIBOR rate is charged on a monthly basis.

The loan amount of S$4.9 million and the accrued interest has been fully repaid subsequent to the end of the financial year.

17. Material Contracts

Pursuant to Rule 1204(8) of the Catalist Rules, the Company confirms that except as disclosed in the above section on IPTs, and the services agreements between the Company and the Executive Chairman and CEO respectively, there were no material contracts entered into by the Company or any of its subsidiaries, involving the interests of the CEO or any other Director or controlling shareholder, which are either still subsisting at the end of FY2015 or if not then subsisting, entered into since the end of the previous financial year.

18. Non-Sponsor Fees

There were no non-sponsor fees paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd.,in FY2015.

19. Audit and Non-Audit Fee

The audit services that were rendered by the Company's external auditors, Moore Stephens LLP, to the Group and their fees in FY2015 were as follows:

	S$
Audit Fees	147,810

There were no non-audit services rendered during FY2015.

20. Corporate Social Responsibility

We believe that environmentally-friendly practices complement business efficiency. Our staff are encouraged to reduce, recycle and reuse and we advocate corporate social responsibility towards the environment by incorporating these processes in our daily operations. We encourage the use of recycled paper in the office and other activities to reduce the pollution to earth and water.

REPORT OF THE DIRECTORS

31 MARCH 2015

The directors of the Company present their report to the members together with the audited consolidated financial statements of Mary Chia Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 March 2015 and the audited balance sheet of the Company as at 31 March 2015.

1 Directors

The directors of the Company in office at the date of this report are as follows:

Mary Chia Ah Tow	Executive Chairman
Ho Yow Ping (He YouPing)	Chief Executive Officer
Yeung Koon Sang @ David Yeung	Lead Independent Director
Pao Kiew Tee	Independent Director
Chia Chor Leong	Independent Director (Appointed on 22 September 2014)

2 Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

3 Directors' Interests in Shares or Debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50, except as follows:

	Shareholdings registered in the name of directors		**Shareholdings in which directors are deemed to have an interest**	
Name of Directors	**At 1.4.2014**	**At 31.3.2015**	**At 1.4.2014**	**At 31.3.2015**
The Company				
Mary Chia Holdings Limited				
Number of ordinary shares				
Mary Chia Ah Tow	99,707,046	99,707,046	-	-
Ho Yow Ping (He YouPing)	32,680,000	32,680,000	-	-
The Subsidiary				
Hotel Culture Pte Ltd				
Number of ordinary shares				
Ho Yow Ping (He YouPing)	-	-	245,000	245,000

3 Directors' Interests in Shares or Debentures (cont'd)

There was no change in the above mentioned directors' interests in the shares or debentures of the Company and its related corporations as at 31 March 2015 and 21 April 2015.

Ms Mary Chia Ah Tow, who by virtue of her interest of not less than 20% of the issued share capital of the Company, is deemed to have an interest in the issued share capital of the subsidiaries held by the Company.

4 Directors' Contractual Benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in the notes to the financial statements.

5 Share Options

No options were granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

6 Audit Committee

The members of the Audit Committee ("AC") at the date of this report are as follows:

Yeung Koon Sang @ David Yeung	Chairman
Pao Kiew Tee	
Chia Chor Leong	(Appointed on 22 September 2014)

The AC has performed its functions in accordance with Section 201B (5) of the Singapore Companies Act, Chapter 50, the Catalist Rules of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("Catalist Rules") and the Code of Corporate Governance, which include the following:

(a) review the audit plan of the external auditors, and reviews the external auditors' evaluation of the adequacy of the Company's system of internal accounting controls, their letter to management and the management's response;

(b) review the annual consolidated financial statements of the Group and balance sheet of the Company before submission to the Board of Directors (the "Board") for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Catalist Rules and any other relevant statutory or regulatory requirements;

6 Audit Committee (cont'd)

(c) review the internal control procedures and ensure co-ordination between the external auditors and the management, review the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management, where necessary);

(d) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;

(e) consider the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the auditors;

(f) review interested person transactions (if any) and potential conflicts of interest (if any) falling within the scope of Chapter 9 of the Catalist Rules;

(g) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(h) generally undertake such other functions and duties as may be required by statute or the Catalist Rules, or by such amendments as may be made thereto from time to time; and

(i) review the key financial risk areas, with a view to providing independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual report or, where the findings are material, announced immediately via SGXNET.

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors and are pleased to confirm their re-nomination.

The AC has also conducted a review of interested person transactions.

The AC has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external auditors have unrestricted access to the AC.

Further details regarding the AC are disclosed in the Report on Corporate Governance included in the Company's Annual Report.

7 Independent Auditors

The auditors, Moore Stephens LLP, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

………………………………………………

Mary Chia Ah Tow
Executive Chairman

………………………………………………

Ho Yow Ping (He YouPing)
Chief Executive Officer

Singapore
3 July 2015

STATEMENT BY DIRECTORS

31 MARCH 2015

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group and the balance sheet of the Company together with the notes thereon, as set out on pages 35 to 95, are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and of the results, changes in equity and cash flows of the Group for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they fall due as disclosed in Note 2 to the financial statements.

On behalf of the Board of Directors,

………………………………………………
Mary Chia Ah Tow
Executive Chairman

………………………………………………
Ho Yow Ping (He YouPing)
Chief Executive Officer

Singapore
3 July 2015

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 35 to 95, 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.

(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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	Group 2015 S$	Group 2014 S$
Revenue	5	15,092,793	17,203,925
Other operating income	6	557,875	3,608,911
Purchases and related costs		(846,567)	(812,796)
Changes in inventories		34,462	133,440
Depreciation of property, plant and equipment	12	(1,214,207)	(1,159,521)
Staff costs	7	(7,560,398)	(7,341,933)
Operating lease expense		(4,353,653)	(4,162,297)
Other operating expenses	8	(3,635,045)	(3,797,205)
Finance costs	9	(557,844)	(561,634)
(Loss)/Profit before income tax		(2,482,584)	3,110,890
Income tax	10	(258,466)	(93,063)
(Loss)/Profit for the year		(2,741,050)	3,017,827
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation gain		59,004	51,338
Total other comprehensive (loss)/income for the year attributable to owners of the Company		(2,682,046)	3,069,165
(Loss)/Profit for the year attributable to:			
Owners of the Company		(3,268,045)	1,291,789
Non-controlling interest		526,995	1,726,038
		(2,741,050)	3,017,827
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		(3,209,041)	1,343,127
Non-controlling interest		526,995	1,726,038
		(2,682,046)	3,069,165
(Loss)/Earnings per share (cents) – Basic and Diluted	11	(2.00)	0.79

The accompanying notes form an integral part of these financial statements

BALANCE SHEETS

AS AT 31 MARCH 2015

	Note	Group 2015 S$	Group 2014 S$	Company 2015 S$	Company 2014 S$
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	5,136,700	5,764,351	-	75
Investment property	13	57,176,466	57,176,466	-	-
Investment in subsidiaries	14	-	-	2,444,398	3,257,912
Deferred tax assets	25	260,021	342,378	-	-
Other assets	18	906,136	609,369	-	-
Total Non-Current Assets		63,479,323	63,892,564	2,444,398	3,257,987
Current Assets					
Inventories	15	728,745	694,283	-	-
Trade and other receivables	16	547,814	404,443	9,351	8,970
Amount due from subsidiaries	14	-	-	494,130	264,985
Amount due from non-controlling interest	17	4,905,892	-	-	-
Other assets	18	566,372	867,000	7,850	6,500
Cash and bank balances	19	1,833,351	1,560,530	171,417	438,600
Total Current Assets		8,582,174	3,526,256	682,748	719,055
Total Assets		72,061,497	67,418,820	3,127,146	3,977,042
EQUITY AND LIABILITIES					
Equity					
Share capital	20	4,817,859	4,817,859	4,817,859	4,817,859
Reserves	21	9,533,813	12,742,854	(2,785,603)	(1,474,244)
Attributable to owners of the Company		14,351,672	17,560,713	2,032,256	3,343,615
Non-controlling interest	22	18,466,879	17,939,881	-	-
Total Equity		32,818,551	35,500,594	2,032,256	3,343,615
Non-Current Liabilities					
Finance lease liabilities	23	256,261	270,302	-	-
Borrowings	24	22,026,661	19,597,031	517,327	-
Amount due to directors	27	1,296,242	-	-	-
Provision	29	282,038	95,892	-	-
Total Non-Current Liabilities		23,861,202	19,963,225	517,327	-
Current Liabilities					
Trade and other payables	26	7,207,433	6,409,804	308,335	247,433
Amount due to subsidiaries	14	-	-	8	6,000
Amount due to directors	27	-	20,000	-	-
Amount due to non-controlling interest	27	23,616	174,046	-	-
Finance lease liabilities	23	186,930	150,838	-	-
Borrowings	24	7,383,681	4,585,153	269,220	379,994
Bank overdraft	28	209,901	221,642	-	-
Income tax payable		202,595	117,119	-	-
Provision	29	167,588	276,399	-	-
Total Current Liabilities		15,381,744	11,955,001	577,563	633,427
Total Liabilities		39,242,946	31,918,226	1,094,890	633,427
Total Equity and Liabilities		72,061,497	67,418,820	3,127,146	3,977,042

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Attributable to owners of the Company						
	Share Capital S$	Merger Reserve S$	Foreign Currency Translation Reserve S$	Retained Earnings/ (Accumulated Losses) S$	Total S$	Non-controlling Interest S$	Total S$
Group							
Balance at 1 April 2014	4,817,859	(927,308)	141,782	13,528,380	17,560,713	17,939,881	35,500,594
(Loss)/Profit for the year	-	-	-	(3,268,045)	(3,268,045)	526,995	(2,741,050)
Other comprehensive income, net of tax Foreign currency translation gain	-	-	59,004	-	59,004	-	59,004
Total comprehensive (loss)/income for the year	-	-	59,004	(3,268,045)	(3,209,041)	526,995	(2,682,046)
Additional non-controlling interest arising from incorporation and acquisition of new subsidiaries	-	-	-	-	-	3	3
Balance at 31 March 2015	4,817,859	(927,308)	200,786	10,260,335	14,351,672	18,466,879	32,818,551
Balance at 1 April 2013	4,817,859	(927,308)	90,444	12,236,591	16,217,586	16,213,843	32,431,429
Profit for the year	-	-	-	1,291,789	1,291,789	1,726,038	3,017,827
Other comprehensive income, net of tax Foreign currency translation gain	-	-	51,338	-	51,338	-	51,338
Total comprehensive income for the year	-	-	51,338	1,291,789	1,343,127	1,726,038	3,069,165
Balance at 31 March 2014	4,817,859	(927,308)	141,782	13,528,380	17,560,713	17,939,881	35,500,594

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Group	
	2015	2014
	S$	S$
Cash Flows from Operating Activities		
(Loss)/Profit before income tax	(2,482,584)	3,110,890
Adjustments for:		
Loss on disposal of property, plant and equipment	-	13,383
Property, plant and equipment written off	92	-
Depreciation of property, plant and equipment	1,214,207	1,159,521
Allowance for impairment loss of trade and other receivables	-	58,027
Trade receivables written off	4,872	-
Fair value gain on investment property	-	(2,638,914)
Interest income	(20,377)	(2,055)
Interest expense	557,844	561,634
Unrealised foreign exchange differences	164,837	73,036
Operating cash flows before working capital changes	(561,109)	2,335,522
Changes in working capital:		
Inventories	(34,462)	(130,530)
Trade and other receivables	(144,382)	(132,523)
Trade and other payables	1,697,779	(627,393)
Cash generated from operations	957,826	1,445,076
Income tax paid	(172,990)	(95,022)
Net cash generated from operating activities	784,836	1,350,054
Cash Flows from Investing Activities		
Interest received	14,485	2,055
Purchase of property, plant and equipment	(441,996)	(39,957)
Loan to a non-controlling interest	(4,900,000)	-
Increase in fixed deposit with a maturity of more than 3 months	(15,135)	-
Net cash used in investing activities	(5,342,646)	(37,902)
Cash Flows from Financing Activities		
Decrease in fixed deposits pledged	900,400	266,985
Proceeds from borrowings	7,050,000	3,197,000
Repayment of borrowings	(1,833,583)	(3,049,824)
Interest paid	(541,522)	(561,634)
Repayment of finance lease liabilities	(157,926)	(326,249)
Repayment to a non-controlling interest	(150,430)	(695,800)
Loan advances from directors	453,427	-
Net cash generated/(used in) financing activities	5,720,366	(1,169,522)
Net increase in cash and cash equivalents	1,162,556	142,630
Cash and cash equivalents at the beginning of the year	438,488	295,858
Effect of foreign exchange on cash and cash equivalents	7,271	-
Cash and cash equivalents at the end of the year (Note 19)	1,608,315	438,488

The accompanying notes form an integral part of these financial statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Corporate Information

Mary Chia Holdings Limited (the "Company") is a public limited company incorporated and domiciled in Singapore and is listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The address of the Company's registered office is 246 Macpherson Road #05-03/04 Betime Building, Singapore 348578.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 14.

The ultimate controlling parties of the Company are Ms Mary Chia Ah Tow and Ms Ho Yow Ping (He YouPing).

The financial statements for the financial year ended 31 March 2015 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

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.

2 Going Concern Assumption (cont'd)

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.

3 Summary of Significant Accounting Policies

(a) Basis of Preparation

The consolidated financial statements of the Group and the balance sheet of the Company have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards ("FRS"). These financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Adoption of New/Revised FRS which are effective

The accounting policies adopted are consistent with those of the previous financial year except that, for the financial year ended 31 March 2015, the Group has adopted the following new/revised FRS that are mandatorily effective for the said year and relevant to the Group:

FRS 27 (Revised) *Separate Financial Statements*

FRS 27 (Revised) contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity elects, or is required by local regulations, to present separate financial statements. The adoption of FRS 27 (Revised) has no effect on the financial performance or the financial positions of the Group and of the Company on initial application.

FRS 110 *Consolidated Financial Statements*

Under FRS 110, there is only one basis for consolidation for all entities, and that basis is control. This change removes the perceived inconsistency between the previous version of FRS 27 *Consolidated Financial Statements* and INT FRS 12 *Consolidation – Special Purpose Entities* – FRS 27 used a control concept whilst INT FRS 12 placed greater emphasis on risks and rewards.

A more robust definition of control has been developed in FRS 110 in order to capture unintentional weakness of the definition of control set out in the previous version of FRS 27. The definition of control in FRS 110 includes three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) ability to use its power over the investee to affect the amount of investor's returns.

FRS 110 requires investors to reassess whether or not they have control over their investees on transition to FRS 110. In general, FRS 110 requires retrospective application, with certain limited transitional provisions. The adoption of FRS 110 did not result in any change to the control conclusions reached by the Group in respect of its involvement with other entities at the date of initial application.

3 Summary of Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New/Revised FRS which are effective (cont'd)

FRS 112 *Disclosure of Interests in Other Entities*

FRS 112 is a new disclosure standard and is applicable to entities that have interest in subsidiaries, joints arrangements, associates and/or unconsolidated structured entities. In general, the application of FRS 112 has resulted in more extensive disclosures in the financial statements. As this is a disclosure standard, the adoption of FRS 112 has no effect on the financial performance or the financial positions of the Group and of the Company on initial application.

Amendments to FRS 36 *Recoverable Amount Disclosures for Non-Financial Assets*

The amendments to FRS 36 restrict the requirement to disclose the recoverable amount of an asset or Cash-Generating Unit (CGU) to periods in which an impairment loss has been recognised or reversed.

The amendments also expand and clarify the disclosure requirements applicable when an asset or CGU's recoverable amount has been determined on the basis of fair value less costs of disposal. The application of these amendments has had no impact on the disclosure in the financial statements.

New/Revised FRS which are issued but not yet effective

At the date of these financial statements, the following new/revised FRS that are relevant to the Group were issued but not yet effective:

Description		Effective for annual periods beginning on or after
Amendments to FRS 103	*Business Combinations*	1 July 2014
Amendments to FRS 108	*Operating Segments*	1 July 2014
Amendments to FRS 24	*Related Party Disclosures*	1 July 2014
Amendments to FRS 113	*Fair Value Measurement*	1 July 2014
Amendments to FRS 40	*Investment Property*	1 July 2014
Amendments to FRS 27	*Equity Method in Separate Financial Statements*	1 January 2016
FRS 115	*Revenue from Contracts with Customers*	1 January 2017
FRS 109	*Financial Instruments*	1 January 2018

Except for FRS 115 and FRS 109 described below, management anticipates that the adoption of the other new/revised FRS above in future periods will have no material impact on the Group's financial statements in the period of initial application.

3 Summary of Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

New/Revised FRS which are issued but not yet effective (cont'd)

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a revised framework for revenue recognition based on the following five-step approach:

- Identification of the contracts
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations
- Recognition of revenue when (or as) an entity satisfies a performance obligation

FRS 115 will replace the existing revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and INT FRS 113 *Customer Loyalty Programs*.

The Group is currently evaluating the impact of the changes and assessing whether the adoption of FRS 115 will have an impact on the Group.

FRS 109 *Financial Instruments*

FRS 109 prescribes the accounting requirements for financial instruments and replaces the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. FRS 109 prescribes a new classification and measurement framework for financial instruments, requires financial assets to be impaired based on a new expected credit loss model, changes the hedge accounting requirements, and carries forward the recognition and de-recognition requirements for financial instruments from FRS 39.

The Group is currently evaluating the impact of the changes and assessing whether the adoption of FRS 109 will have an impact on the Group.

(b) Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3 Summary of Significant Accounting Policies (cont'd)

(b) Consolidation (cont'd)

Subsidiaries (cont'd)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual agreements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

3 **Summary of Significant Accounting Policies** (cont'd)

(b) Consolidation (cont'd)

Subsidiaries (cont'd)

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Change in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(c) Foreign Currencies

Functional and presentation currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

For the purpose of the consolidated financial statements, the results and financial position of each Group entity are expressed in Singapore Dollar ("S$"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Translation and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at that date.

3 Summary of Significant Accounting Policies (cont'd)

(c) Foreign Currencies (cont'd)

Translation and balances (cont'd)

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing exchange rates at the balance sheet date are recognised in profit or loss, unless they arise from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations.

Those currency translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the exchange rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing exchange rates at the balance sheet date;

- Income and expenses for each statements presenting profit and loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and

- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the accumulated exchange differences in respect of that foreign operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

(d) Property, Plant and Equipment

Measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

3 Summary of Significant Accounting Policies (cont'd)

(d) Property, Plant and Equipment (cont'd)

Depreciation

Depreciation is recognised so as to write off the cost of assets less their residual values (if any) over their estimated useful lives, using the straight-line method as follows:

Leasehold property	-	75 years
Motor vehicles	-	5 years
Beauty, slimming and spa equipment	-	4 to 12 years
Renovation	-	5 years
Furniture and office equipment	-	2 to 5 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(e) Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes and land under operating leases that is held for long-term capital appreciation or for a current indeterminate use), are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value, determined annually by independent professional valuers. Gains and losses arising from changes in the fair value of investment property is included in profit or loss in the period in which they arise.

3 **Summary of Significant Accounting Policies** (cont'd)

(e) Investment Property (cont'd)

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the Group's accounting policy for property, plant and equipment up to the date of change in use.

(f) Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the balance sheet of the Company.

On disposal of investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

(g) Impairment of Non-Financial Assets

Non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets have been impaired.

At the balance sheet date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the amount of impairment loss (if any), on an individual asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3 **Summary of Significant Accounting Policies** (cont'd)

(g) Impairment of Non-Financial Assets (cont'd)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An assessment is made at each balance sheet date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes freight and handling charges. Allowance is made, where necessary, for obsolete, slow moving and defective inventory in arriving at the net realisable value. Net realisable value is the estimated selling price for inventories in the ordinary course of business, less the estimated costs necessary to make the sale.

(i) Financial Assets

The Group classifies its financial assets as loans and receivables based on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than twelve months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables", "amount due from subsidiaries", "amount due from non-controlling interest", "deposits", "other current assets (excluding prepayments)" and "cash and bank balances" on the balance sheet.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset has expired, or has been transferred and transferred substantially all the risks and rewards of ownership of the financial asset to another entity.

3 Summary of Significant Accounting Policies (cont'd)

(i) Financial Assets (cont'd)

Recognition and derecognition (cont'd)

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is transferred to profit or loss.

Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

- Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

3 Summary of Significant Accounting Policies (cont'd)

(j) Cash and Cash Equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, less fixed deposits that are pledged to secure banking facilities and fixed deposits with a maturity of more than three months, and bank overdrafts which form an integral part of the Group's cash management.

(k) Financial Liabilities

The Group shall recognise a financial liability on its balance sheet when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

Interest-bearing loans and borrowings

Borrowings are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Asset dismantlement, removal or reinstatement

The Group recognises the estimated costs of dismantlement, removal or reinstatement of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration the time value of money.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and reinstatement costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

3 **Summary of Significant Accounting Policies** (cont'd)

(m) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

(n) Financial Guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at their fair value plus transaction costs. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

(o) Revenue Recognition

Revenue for the Group comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of business, net of goods and services/value-added tax, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

Sale of goods

Revenue on the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer. Revenue is not recognised to the extent there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Beauty, slimming and spa service treatments

Revenue from beauty, slimming and spa treatments is recognised when services are rendered. Billed amounts for services which have not been rendered as at the balance sheet date is recognised as deferred revenue and included in trade and other payables.

Rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

3 Summary of Significant Accounting Policies (cont'd)

(p) Employee Benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as Central Provident Fund in Singapore and Employee's Provident Fund in Malaysia, on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

(q) Leases

Finance Leases - Where the Group is the lessee

Leases where the Group assumes substantially the risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as property, plant and equipment and borrowings respectively, at the inception of the leases at the lower of the fair values of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on the basis that reflects a constant periodic rate of interest on the finance lease liability.

Operating Leases - Where the Group is the lessee

Leases where substantially all the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

3 **Summary of Significant Accounting Policies** (cont'd)

(q) Leases (cont'd)

Operating Leases - When the Group is the lessor

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit and loss when earned.

(r) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period using the effective interest method in which they are incurred.

(s) Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss on a straight-line basis over the estimated useful life of the relevant asset.

(t) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

3 **Summary of Significant Accounting Policies** (cont'd)

(t) Income Tax (cont'd)

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amount of its tax assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3 **Summary of Significant Accounting Policies** (cont'd)

(t) Income Tax (cont'd)

Deferred tax (cont'd)

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at the date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in the accounting for the business combination.

(u) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management who is responsible for allocating resources and assessing performance of the operating segments.

4 **Critical Accounting Judgements and Key Sources of Estimation Uncertainty**

In the application of the Group's accounting policies, which are described in Note 3 above, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

Critical judgments in applying accounting policies

In addition to the going concern assumption disclosed in Note 2, the following are the critical judgements that the management has made in the process of applying the Group's accounting policies during the financial year that have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Impairment of Receivables from Subsidiaries

The Company assesses at each balance sheet date whether there is any objective evidence that the receivables from subsidiaries are impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the subsidiaries' financial performance and financial position, changes in customer demand, consumer tastes and trends, and the overall economic environment.

The carrying amounts of the Company's receivables from subsidiaries as at the balance sheet date and the movement in the allowance for impairment loss is disclosed in Note 14.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(a) Estimated Useful Lives of Property, Plant and Equipment

The cost of plant and equipment is depreciated on a straight-line basis over the property, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment as disclosed in Note 3(d). Changes in the expected level of usage could impact the economic useful lives and the residual values (if any) of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment as at the balance sheet date is disclosed in Note 12.

If depreciation on property, plant and equipment increases/decreases by 10% from management's estimate, the Group's (loss)/profit before income tax will increase/decrease by approximately S$121,000 (2014: decrease/increase by approximately S$116,000).

(b) Impairment of Investments in Subsidiaries

The Company assesses at each balance sheet date whether there is any objective evidence that the investments in subsidiaries are impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the subsidiaries' financial performance and financial position, changes in customer demand, consumer tastes and trends, and the overall economic environment.

The carrying amounts of the Company's investments in subsidiaries as at the balance sheet date and the movement in the allowance for impairment loss is disclosed in Note 14.

5 Revenue

	Group	
	2015	2014
	S$	S$
Sale of goods	4,113,546	2,603,289
Beauty, slimming and spa service treatments	9,411,604	13,290,017
Rental income	1,567,643	1,310,619
	15,092,793	17,203,925

6 Other Operating Income

	Group	
	2015	2014
	S$	S$
Interest income - fixed deposits	14,485	2,055
Fair value gain on investment property (Note 13)	-	2,638,914
Government grants	309,792	440,479
Income from training for health management	-	365,000
Insurance claim	207,273	-
Other income	26,325	162,463
	557,875	3,608,911

7 Employee Benefits

	Group	
	2015	2014
	S$	S$
Salaries, wages, commissions and bonuses	6,706,239	6,571,304
Defined contribution plans	546,329	449,129
Foreign worker/Skill development levies	302,958	310,717
Other staff benefits	4,872	10,783
	7,560,398	7,341,933

8 Other Operating Expenses

	Group 2015 S$	Group 2014 S$
Audit fees paid/payable to:		
- Auditors of the Company	147,810	132,400
- Other auditors	13,623	12,157
Non-audit fees paid/payable to:		
- Auditors of the Company	-	2,400
Advertising and marketing expenses	1,242,161	1,195,333
Allowance for impairment loss of trade and other receivables	-	58,027
Trade receivables written off	4,872	-
Bank charges	341,798	411,242
Exhibition expenses	206,002	238,243
Foreign exchange loss	19,160	95,630
Internet and networking charges	147,480	65,316
Legal and professional fees	89,202	45,575
Property, plant and equipment written off	92	-
Loss on disposal of property, plant and equipment	-	13,383
Recruitment expenses	25,175	15,275
Utilities	280,450	283,346
Repair and maintenance expenses	230,182	239,241
Office expenses	102,441	96,086
Other operating expenses	784,597	893,551
	3,635,045	3,797,205

9 Finance Costs

	Group 2015 S$	Group 2014 S$
Interest expenses:		
- Bank overdraft	19,578	24,325
- Borrowings	512,444	506,098
- Finance lease liabilities	25,822	31,211
	557,844	561,634

10 Income Tax

	Group 2015 S$	Group 2014 S$
Current income tax	165,551	109,190
Deferred tax (Note 25)	100,877	(42,790)
	266,428	66,400
Under/(Over) provision in respect of prior years:		
- current income tax	10,558	(8,032)
- deferred tax (Note 25)	(18,520)	34,695
	258,466	93,063

The reconciliation of the income tax expense and the product of accounting (loss)/profit multiplied by the Singapore statutory tax rate is as follows:

	Group 2015 S$	Group 2014 S$
(Loss)/Profit before income tax	(2,482,584)	3,110,890
Tax at statutory tax rate of 17% (2014: 17%)	(422,039)	528,851
Effect of different tax rate of foreign subsidiaries	(4,953)	(7,131)
Non-deductible expenses	291,279	109,605
Non-taxable income	(112,210)	(513,405)
Singapore statutory stepped income exemption	(25,925)	(50,589)
Tax rebate	(30,000)	(35,100)
Deferred tax assets not recognised	570,276	216,555
Utilisation of previously unrecognised deferred tax assets	-	(182,386)
Under/(Over) provision of prior years' income tax	10,558	(8,032)
(Over)/Under provision of prior years' deferred tax	(18,520)	34,695
	258,466	93,063

Singapore tax law

The corporate income tax applicable to the Company and other Singapore companies of the Group is 17% (2014: 17%).

Malaysia tax law

The corporate income tax applicable to the Malaysia companies of the Group is 25% (2014: 24%).

10 Income Tax (cont'd)

Unutilised tax losses and unutilised capital allowances

As at the balance sheet date, the Company and other Singapore companies of the Group have estimated unutilised tax losses amounting to approximately S$6,653,000 (2014: S$3,298,000) that are available for offset against future taxable profits of those companies. The unutilised tax losses have no expiry dates. The use of these unutilised tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation. The deferred tax assets arising from these unutilised tax losses of approximately S$1,131,000 (2014: S$560,000) have not been recognised in the financial statements as management believed it is not probable that such tax losses can be utilised.

As at the balance sheet date, the Malaysia subsidiaries of the Group have unutilised tax losses amounting to approximately S$1,003,000 (2014: S$1,388,000), respectively that are available for offset against future taxable profits of those subsidiaries subject to agreement by the Inland Revenue Board of Malaysia. The unutilised tax losses have no expiry dates. The deferred tax assets arising from these unutilised tax losses have been recognised in the financial statements as management believed that it is probable that such tax losses can be utilised (Note 25).

11 (Loss)/Earnings Per Share

Basic (loss)/earnings per share is calculated by dividing (loss)/profit for the year attributable to the owners of the Company by the weighted average number of ordinary shares of the Company outstanding during the financial year.

	Group	
	2015	2014
(Loss)/Profit attributable to owners of the Company (S$)	(3,268,045)	1,291,789
Weighted average number of ordinary shares in issue for basic (loss)/earnings per share	163,495,140	163,495,140
Basic and Diluted (loss)/earnings per share (S$ cents)*	(2.00)	0.79

* Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share as there were no dilutive potential ordinary shares outstanding as at 31 March 2015 and 2014.

12 Property, Plant and Equipment

	Leasehold property S$	Motor vehicles S$	Beauty, slimming and spa equipment S$	Renovation S$	Furniture and office equipment S$	Total S$
Group						
2015						
Cost						
At 1 April 2014	3,267,524	219,130	3,747,309	4,583,864	1,976,993	13,794,820
Additions	-	130,399	215,949	85,490	191,158	622,996
Written off	-	-	-	-	(219)	(219)
Currency realignment	-	(2,533)	(37,279)	(60,855)	(12,016)	(112,683)
At 31 March 2015	3,267,524	346,996	3,925,979	4,608,499	2,155,916	14,304,914
Accumulated depreciation						
At 1 April 2014	-	186,342	2,813,244	3,459,773	1,571,110	8,030,469
Charge for the year	225,593	21,104	376,049	490,381	101,080	1,214,207
Written off	-	-	-	-	(127)	(127)
Currency realignment	-	(760)	(23,980)	(42,175)	(9,420)	(76,335)
At 31 March 2015	225,593	206,686	3,165,313	3,907,979	1,662,643	9,168,214
Carrying amount						
At 31 March 2015	3,041,931	140,310	760,666	700,520	493,273	5,136,700
2014						
Cost						
At 1 April 2013	3,267,524	220,206	3,950,216	4,577,437	1,960,665	13,976,048
Additions	-	-	12,835	333,719	77,813	424,367
Disposal/Written off	-	-	(199,990)	(258,364)	(56,560)	(514,914)
Currency realignment	-	(1,076)	(15,752)	(68,928)	(4,925)	(90,681)
At 31 March 2014	3,267,524	219,130	3,747,309	4,583,864	1,976,993	13,794,820
Accumulated depreciation						
At 1 April 2013	-	156,752	2,625,988	3,185,048	1,470,794	7,438,582
Charge for the year	-	29,686	389,951	580,867	159,017	1,159,521
Disposal/Written off	-	-	(195,614)	(250,006)	(55,911)	(501,531)
Currency realignment	-	(96)	(7,081)	(56,136)	(2,790)	(66,103)
At 31 March 2014	-	186,342	2,813,244	3,459,773	1,571,110	8,030,469
Carrying amount						
At 31 March 2014	3,267,524	32,788	934,065	1,124,091	405,883	5,764,351

12 Property, Plant and Equipment (cont'd)

	Furniture and office equipment S$
Company	
2015	
Cost	
At 1 April 2014 and 31 March 2015	1,124
Accumulated depreciation	
At 1 April 2014	1,049
Charge for the year	75
At 31 March 2015	1,124
Carrying amount	
At 31 March 2015	-
2014	
Cost	
At 1 April 2013 and 31 March 2014	1,124
Accumulated depreciation	
At 1 April 2013	824
Charge for the year	225
At 31 March 2014	1,049
Carrying amount	
At 31 March 2014	75

(a) As at the balance sheet date, the carrying amount of motor vehicles, beauty, slimming and spa equipment and renovation held under finance lease arrangements (Note 23) for the Group amounted to S$140,310 (2014: S$7,710), S$73,333 (2014: S$27,991) and S$175,501 (2014: S$204,101), respectively.

(b) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S$622,996 (2014: S$424,367) of which S$181,000 (2014: S$384,410) was acquired by means of finance lease arrangements. Cash payments of S$441,996 (2014: S$39,957) were made to purchase property, plant and equipment.

12 Property, Plant and Equipment (cont'd)

As at the balance sheet date, the leasehold property held by the Group is as follows:

Location	**Tenure**	**Approximate floor area (sq m)**	**Use of property**
48, 49, 50 Mosque Street Singapore 059526/27/28	99-year leasehold commencing 28 August 2002	257.6	Retail outlet

As at the balance sheet date, the leasehold property of the Group with a carrying amount of S$3,041,931 (2014: S$3,267,524) is pledged for the borrowings as disclosed in Note 24.

13 Investment Property

	2015 S$	2014 S$
Balance at the beginning of the year	57,176,466	54,537,552
Fair value gain on investment property (Note 6)	-	2,638,914
Balance at the end of the year	57,176,466	57,176,466

Investment property is carried at fair value based on the highest and best use as at the balance sheet date based on directors' valuation supported by professional valuation by an independent valuer who has the appropriate qualification and recent experience in the valuation of properties in the relevant locations.

The valuation was derived based on the direct comparison method which involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment property. The directors' assessment, as supported by the valuation made by the external qualified and independent valuer, that direct comparison method is more reflective of the investment property's market value.

As at 31 March 2015, the directors have assessed the fair value of the investment property remained the same as at 31 March 2014. The fair value of the investment property is classified under Level 2 of the Fair Value Hierarchy (Note 33(e)).

As at the balance sheet date, the investment property of the Group is pledged for the borrowings as disclosed in Note 24.

13 Investment Property (cont'd)

The investment property of the Group is held mainly for use by tenants under operating leases. During the financial year, the following amounts were recognised in the Group's profit or loss:

	2015 S$	2014 S$
Rental income	1,567,643	1,310,619

All direct operating and other expenses arising from the investment property were borne, as per the rental agreement, by the related party of the Group.

As at the balance sheet date, the investment property held by the Group is as follows:

Description and location	**Tenure**	**Approximate floor area (sq m)**	**Use of property**
A 4-storey refurnished shophouse development with mezzanine floor comprising 84 hotel rooms 48, 49, 50 Mosque Street Singapore 059526/27/28	99 - year leasehold commencing 28 August 2002	1,883.0 *	Commercial

* Floor area excluded areas used for a retail outlet of the Group, which are disclosed in Note 12.

14 Investment in Subsidiaries and Amounts Due from/(to) Subsidiaries

(a) Investment in Subsidiaries

	Company	
	2015 S$	2014 S$
Unquoted equity shares, at cost		
Balance at 1 April	3,257,912	3,257,912
Additions during the year	8	-
Balance at 31 March	3,257,920	3,257,912
Less: Allowance for impairment loss	(813,522)	-
	2,444,398	3,257,912

14 Investment in Subsidiaries and Amounts due from/(to) Subsidiaries (cont'd)

(a) Investment in Subsidiaries (cont'd)

Incorporation of subsidiaries

During the current financial year, the Company incorporated a wholly owned subsidiary and a 70% owned subsidiary, Organica International Holdings Pte. Ltd. ("OIH") and Scinn Pte Ltd ("Scinn"), in Singapore, with a paid-up share capital of S$1.00 and S$10.00, respectively. The principal activities of OIH and Scinn are that of investment holding and clinic and other general medical services, respectively.

Acquisition of subsidiary

During the current financial year, OIH, a wholly owned subsidiary of the Company, acquired 100% equity interest in Organica International (M) Sdn. Bhd. ("OIM"), incorporated in Malaysia, for a consideration of MYR2.00 (approximately S$1.00). The principal activities of OIM are that of direct selling in skin care and health supplements to the South East Asia region. It has not commenced business activities since its incorporation/date of acquisition and has no significant assets/liabilities.

Movement in allowance for impairment loss

	Company	
	2015	2014
	S$	S$
Balance at 1 April	-	-
Allowance for the year	813,522	-
Balance at 31 March	813,522	-

During the financial year, certain subsidiaries continued to incur operating losses. Accordingly, the Company performed an assessment of the recoverable amount of its investments in subsidiaries. The recoverable amounts of the investments were estimated based on value-in-use. Based on management's assessment, an allowance for impairment loss of S$813,522 (2014: Nil) was recognised by the Company in profit or loss. The allowance had no impact on the Group's consolidated financial statements.

The estimated recoverable amounts of the investments based on value-in-use were determined using an estimated growth rate of 2.5% to 3.0% (2014: 3.5% to 5.0%) and a discount rate of 6% to 10% (2014: 5.7% to 8%) for the projected cash flow from the relevant cash-generating units over a 5 year period budget approved by management. Management has also considered the possibility of an increase or decrease in the estimated growth rate and discount rate used in the said value-in-use calculation. A 1% change in the estimated growth rate and the discount rate used will not result in a significant variance in the estimated recoverable amounts of the investments determined based on management's assessment.

14 Investment in Subsidiaries and Amounts due from/(to) Subsidiaries (cont'd)

(a) Investment in Subsidiaries (cont'd)

As at the balance sheet date, details of the subsidiaries of the Group are as follows:

Name and country of incorporation/operation	Principal activities	Attributable equity interest of the Group		Cost of investment	
		2015	2014	2015	2014
		%	%	S$	S$
Held by the Company					
Mary Chia Beauty & Slimming Specialist Pte. Ltd. [1] (Singapore)	Provision of lifestyle and wellness treatment services	100	100	1,976,971	1,976,971
Mary Chia Beauty & Slimming Specialist (Orchard) Pte. Ltd. [1] (Singapore)	Provision of lifestyle and wellness treatment services	100	100	4	4
Urban Homme Face and Body Studio For Men Pte. Ltd.[1] (Singapore)	Provision of lifestyle and wellness treatment services for men	100	100	763,620	763,620
Spa Menu Pte. Ltd. [1] (Singapore)	Provision of lifestyle and wellness treatment services and retailing of lifestyle and wellness products	100	100	49,902	49,902
MCU Trading Pte. Ltd. [1] (Singapore)	General wholesale trading	100	100	4,613	4,613
Hotel Culture Pte. Ltd. [1] (Singapore)	Investment holding	51	51	260,350	260,350
Organica International Holdings Pte. Ltd. [3] [5] (Singapore)	Investment holding	100	-	1	-
Scinn Pte Ltd [3] [5] (Singapore)	Clinic and other general medical services	70	-	7	-
MCU Holdings Sdn. Bhd. [2] (Malaysia)	Provision of lifestyle and wellness treatment services	100	100	202,452	202,452
				3,257,920	3,257,912

14 Investment in Subsidiaries and Amounts due from/(to) Subsidiaries (cont'd)

(a) Investment in Subsidiaries (cont'd)

Name and country of incorporation/ operation	**Principal activities**	**Attributable equity interest of the Group**	
		2015	2014
		%	%
Held by MCU Holdings Sdn. Bhd.			
MCU Beautitudes Sdn. Bhd. [2] (Malaysia)	Provision of wellness and aesthetics treatment services	100	100
Held by Organica International Holdings Pte. Ltd.			
Organica International (M) Sdn. Bhd. [4][5] (Malaysia)	Direct selling in skin care and health supplements to the South East Asia region	100	-

(1) Audited by Moore Stephens LLP, Singapore

(2) Audited by Moore Stephens, Malaysia

(3) Newly incorporated during the year

(4) Newly acquired during the year

(5) Reviewed by Moore Stephens LLP, Singapore for the purposes of consolidation of the Group

Material non-controlling interest

As at the balance sheet date, details of the material non-controlling interest of the Group are as follows:

Name of subsidiary	**Country of incorporation/ principal place of business**	**Proportion of ownership interests and voting rights held by non-controlling interest**		**Profit allocated to non-controlling interest**		**Accumulated non-controlling interest**	
		FY2015	FY2014	FY2015 S$	FY2014 S$	FY2015 S$	FY2014 S$
Hotel Culture Pte. Ltd.	Singapore	49%	49%	526,995	1,726,038	18,466,879	17,939,881

14 Investment in Subsidiaries and Amounts due from/(to) Subsidiaries (cont'd)

(a) Investment in Subsidiaries (cont'd)

Material non-controlling interest (cont'd)

Summarised financial information in respect of the material non-controlling interest to the Group is set out below. The summarised financial information represents amounts before inter-company eliminations:

	Hotel Culture Pte. Ltd.	
	FY2015	FY2014
	S$	S$
Summarised statement of comprehensive income		
Revenue	1,810,792	1,516,569
Profit for the year and total comprehensive income	1,075,500	3,522,527
Profit for the year and total comprehensive income		
- Attributable to owners of the Company	548,505	1,796,489
- Attributable to non-controlling interest	526,995	1,726,038
	1,075,500	3,522,527
Summarised balance sheet		
Current		
Assets	6,550,432	639,414
Liabilities	(7,792,236)	(4,869,022)
Net current liabilities	(1,241,804)	(4,229,608)
Non-current		
Assets	60,438,641	60,438,641
Liabilities	(21,509,334)	(19,597,031)
Net non-current assets	38,929,307	40,841,610
Net assets	37,687,503	36,612,002
Equity attributable to owners of the Company	19,220,627	18,672,121
Non-controlling interest	18,466,876	17,939,881
	37,687,503	36,612,002
Other summarised information		
Net cash inflow from operating activities	1,525,320	1,645,442
Net cash outflow from investing activities	(4,998,903)	(90,283)
Net cash inflow/(outflow) from financing activities	4,240,203	(950,540)
Net cash increase for the year	766,620	243,533

There were no dividends paid to non-controlling interest during the financial years ended 31 March 2015 and 2014.

14 Investment in Subsidiaries and Amounts due from/(to) Subsidiaries (cont'd)

(b) Amounts due/(to) Subsidiaries

	Company	
	2015	2014
	S$	S$
Due from subsidiaries	714,061	264,985
Less: Allowance for impairment loss	(219,931)	-
	494,130	264,985
Due (to) subsidiaries	(8)	(6,000)

The amounts due from/(to) subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

Movement in allowance for impairment loss

	Company	
	2015	2014
	S$	S$
Balance at 1 April	-	-
Allowance for the year	219,931	-
Balance at 31 March	219,931	-

During the financial year, certain subsidiaries continued to incur operating losses. Accordingly, the Company performed an assessment of the recoverable amount of its receivables from individual subsidiaries. Based on management's assessment, an allowance for impairment loss of S$219,931 (2014: Nil) was recognised by the Company in profit or loss. The allowance had no impact on the Group's consolidated financial statements.

15 Inventories

	Group	
	2015	2014
	S$	S$
Products held for sale, at cost	728,745	694,283

During the financial year, cost of inventories recognised as an expense in profit or loss amounted to S$812,105 (2014: S$679,356).

16 Trade and Other Receivables

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Trade receivables – third parties	341,588	217,155	-	-
Less: Allowance for impairment loss (Note 33(b))	(17,795)	(17,795)	-	-
	323,793	199,360	-	-
Other receivables:				
Goods and services tax receivable	6,088	4,361	-	-
Sundry receivables	258,165	240,954	9,351	8,970
	264,253	245,315	9,351	8,970
Less: Allowance for impairment loss (Note 33(b))	(40,232)	(40,232)	-	-
	224,021	205,083	9,351	8,970
	547,814	404,443	9,351	8,970

Trade receivables are non-interest bearing and are generally settled within 30 days.

17 Amount due from Non-controlling Interest

The amount due from non-controlling interest which relates to a loan to the non-controlling interest is unsecured, bears interest at 2% per annum over and above the prevailing 3 months SIBOR rate. The loan amount of S$4.9 million and together with interest of S$5,892 have been fully repaid by the non-controlling interest subsequent to the end of the financial year.

18 Other Assets

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Current				
Prepayments	94,596	109,484	7,850	6,500
Deposits	471,776	757,516	-	-
	566,372	867,000	7,850	6,500
Non-current				
Deposits	906,136	609,369	-	-

19 Cash and Bank Balances

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Cash and bank balances	1,803,073	630,022	156,282	23,200
Fixed deposits	30,278	930,508	15,135	415,400
	1,833,351	1,560,530	171,417	438,600

As at the balance sheet date, the fixed deposits have a maturity of approximately 3 - 8 months (2014: 3 months) from the end of the financial year and earned effective interests at rates of approximately 0.25% - 0.45% (2014: 0.3%) per annum.

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents of the Group comprised the following:

	Group	
	2015	2014
	S$	S$
Cash and bank balances as above	1,833,351	1,560,530
Less:		
Bank overdraft (Note 28)	(209,901)	(221,642)
Fixed deposits pledged (Note 24)	-	(900,400)
Fixed deposit with a maturity of more than 3 months	(15,135)	-
	1,608,315	438,488

20 Share Capital

	Group and Company			
	2015		2014	
	Number of ordinary shares issued	S$	Number of ordinary shares issued	S$
Balance at the beginning and the end of the year	163,495,140	4,817,859	163,495,140	4,817,859

The ordinary shares of the Company have no par value.

The ordinary shares carry one vote per share without restrictions and their holders are entitled to receive dividends when declared by the Company.

21 Reserves

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Merger reserve	(927,308)	(927,308)	-	-
Foreign currency translation reserve	200,786	141,782	-	-
Retained earnings/(Accumulated losses)	10,260,335	13,528,380	(2,785,603)	(1,474,244)
	9,533,813	12,742,854	(2,785,603)	(1,474,244)

The movements of the Group's reserves during the financial year are set out in the Group's consolidated statement of changes in equity.

Merger reserve

Merger reserve represents the difference between the value of shares issued by the Company in exchange for the value of shares acquired in respect of the acquisition of subsidiaries accounted for under the pooling-of-interests method.

Foreign currency translation reserve

Exchange differences relating to the translation of the results and the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

22 Non-controlling Interest

	Group	
	2015	2014
	S$	S$
Balance at 1 April	17,939,881	16,213,843
Share of profit for the year	526,995	1,726,038
Additional non-controlling interest arising on the incorporation and acquisition of new subsidiaries	3	-
Balance at 31 March	18,466,879	17,939,881

23 Finance Lease Liabilities

The Group acquired certain property, plant and equipment under finance leases. These leases have no terms of renewal, purchase options and escalation clauses. The interest rate implicit in the leases ranges from 3.26% to 7.12% (2014: 3.26% to 5.56%) per annum. Future minimum lease payments under the finance lease arrangements together with the present values of the net minimum lease payments are as follows:

	Group	
	2015	2014
	S$	S$
Within one year	203,289	168,560
After one year but less than five years	248,774	289,752
More than five years	21,721	-
Total minimum lease payments	473,784	458,312
Amount representing finance charges	(30,593)	(37,172)
Present value of minimum lease payments	443,191	421,140

The present value of the finance lease liabilities is presented as follows:

	Group	
	2015	2014
	S$	S$
Current		
Within one year	186,930	150,838
Non-current		
After one year but less than five years	234,877	270,302
More than five years	21,384	-
	256,261	270,302

Finance lease liabilities of the Group are secured by certain property, plant and equipment of the Group (see Note 12), joint and several personal guarantees from certain directors of the Company, namely Ms Mary Chia Ah Tow and Ms Ho Yow Ping (He YouPing) and corporate guarantee by the Company.

24 Borrowings

The Group has obtained various loan facilities to finance its leasehold/investment property and working capital requirements. The details of the borrowings outstanding as at the balance sheet date are presented as follows:

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Current				
Bridging Loan	-	46,470	-	-
Property Loan	-	1,278,286	-	-
Revolving Loan	-	2,500,000	-	-
Working Capital Loan1	-	294,982	-	-
Working Capital Loan 2	-	85,422	-	-
Working Capital Loan 3	-	379,993	-	379,994
Term Loan	269,220	-	269,220	-
Amalgamated Term Loan	1,214,461	-	-	-
Revolving Working Capital Loan	5,900,000	-	-	-
	7,383,681	4,585,153	269,220	379,994
Non-current				
Property Loan	-	15,528,560	-	-
Working Capital Loan1	-	4,068,471	-	-
Term Loan	517,327	-	517,327	-
Amalgamated Term Loan	21,509,334	-	-	-
	22,026,661	19,597,031	517,327	-
	29,410,342	24,182,184	786,547	379,994

The effective interest rates of the borrowings during the financial year are as follows:

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Effective interest rates per annum	1.94% - 3.5%	1.95% - 5.0%	3.5%	3.0%

24 Borrowings (cont'd)

Bridging Loan

The Bridging Loan was repayable on a monthly basis over a period of 4 years. The loan carried an interest rate of 5% per annum and was secured by joint and several personal guarantees from certain directors of the Company, namely Ms Mary Chia Ah Tow and Ms Ho Yow Ping (He YouPing). The loan has been fully repaid during the current financial year.

Property Loan

The Property Loan comprised a property loan and additions and alterations loan with a principal amount of S$16,000,000 and S$4,800,000, respectively. The property loan was repayable on a monthly basis over a period of 15 years. The loan carried an interest rate of 1.68% per annum below the financial institution's prevailing Enterprise Base Rate and was secured by the following:

(i) a first legal mortgage over the investment/leasehold property of the Group; and

(ii) a personal guarantee from a non-controlling interest of a subsidiary and a corporate guarantee from the Company.

During the current financial year, the loan was amalgamated to a single Amalgamated Term Loan as further disclosed below. At the date of amalgamation, the balance of the loan outstanding was S$15,631,114.

Revolving Loan

The Revolving Loan was repayable on a quarterly basis over a period of 15 years. The loan carried an interest rate of 2% per annum and above the prevailing 3 month SIBOR rate and was secured on the same terms as the Property Loan mentioned above.

During the current financial year, the loan was amalgamated to a single Amalgamated Term Loan as further disclosed below. At the date of amalgamation, the balance of the loan outstanding was S$3,000,000.

Working Capital Loan 1

The Working Capital Loan 1 was repayable on a monthly basis over a period of 15 years. The loan carried an interest rate of 2.0% per annum above the prevailing 3 months SIBOR rate and was secured on the same terms as the Property Loan mentioned above.

During the current financial year, the loan was amalgamated to a single Amalgamated Term Loan as further disclosed below. At the date of amalgamation, the balance of the loan outstanding was S$4,092,681.

24 Borrowings (cont'd)

Working Capital Loan 2

The Working Capital Loan 2 was repayable on a monthly basis over a period of 2 years. The loan carried an interest rate of 2.0% per annum below the financial institution's prevailing Enterprise Base Rate and was secured by a fixed deposit of not less than S$500,000 and a corporate guarantee from the Company. The loan has been fully repaid during the current financial year.

Working Capital Loan 3

The Working Capital Loan 3 was repayable on demand. The loan carried an interest rate of 1.75% per annum below the financial institution's prevailing Enterprise Base Rate and was secured by a fixed deposit of S$400,000. The loan has been fully repaid during the current financial year.

Term Loan

The Term Loan comprised 4 loan facilities and is repayable on a monthly basis over a period of 3 years. The loan carries an interest rate of 3.5% per annum and is secured by joint and several guarantees from certain directors of the Company, namely Ms Mary Chia Ah Tow and Ms Ho Yow Ping (He YouPing).

Amalgamated Term Loan

During the current financial year, the Group was granted by the financial institution to amalgamate its existing Property Loan, Revolving Loan and Working Capital Loan into a single 16-year term loan ("Amalgamated Term Loan") repayable on a monthly basis over a period of 16 years. The amalgamated loan carries a range of interest rates of 1.12% - 2.87% per annum below the financial institution's prevailing Enterprise Base Rate. The amalgamated loan is secured by the following:

(i) a first legal mortgage over the investment/leasehold property of the Group (the "Property");

(ii) existing fixed and floating charge on all real and personal properties situated at the Property, present or future, including book debts, goodwill and undertakings in connection with the operation of the Property as hotel dated 26 January 2010; and

(iii) existing deed of proportionate guarantee from a non-controlling interest of a subsidiary and a corporate guarantee from the Company.

Revolving Working Capital Loan

The Revolving Working Capital Loan with a credit facility of S$10,000,000 is repayable on demand and in any event the loan shall mature on the same term as the Amalgamated Term Loan mentioned above. The loan carries at an interest rate of 2% per annum over and above the prevailing 3 months SIBOR rate and is secured on the same terms as the Amalgamated Term Loan mentioned above.

As at 31 March 2015, the Group has drawn down S$5,900,000 of the loan facility with a remaining balance of S$4,100,000 unutilised.

25 Deferred Tax Assets

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on different entities which intend to settle on a net basis, or realise the assets and liabilities simultaneously in the future. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

	Group	
	2015	2014
	S$	S$
Deferred tax assets	276,824	359,181
Deferred tax liabilities	(16,803)	(16,803)
	260,021	342,378

The movements of deferred tax during the financial year are as follows:

	Group	
	2015	2014
	S$	S$
Balance at 1 April	342,378	334,283
(Charged)/Credited to profit and loss	(82,357)	8,095
Balance at 31 March	260,021	342,378

The components and movements of deferred tax assets/liabilities during the financial year prior to offsetting are as follows:

(a) Deferred Tax Assets

	Unutilised tax losses	**Other deductible temporary differences**	**Total**
	S$	**S$**	**S$**
At 1 April 2014	333,016	26,165	359,181
(Charged) to profit and loss	(82,357)	-	(82,357)
At 31 March 2015	250,659	26,165	276,824
At 1 April 2013	324,921	26,165	351,086
Credited to profit and loss	8,095	-	8,095
At 31 March 2014	333,016	26,165	359,181

25 Deferred Tax Assets (cont'd)

(b) Deferred Tax Liabilities

	2015 S$	2014 S$
Balance at the beginning and the end of the year	(16,803)	(16,803)

The deferred tax liabilities relate to the difference in the depreciation on property, plant and equipment for accounting and tax purposes.

26 Trade and Other Payables

	Group		Company	
	2015 S$	2014 S$	2015 S$	2014 S$
Trade payables - third parties	115,075	221,190	-	-
Other payables:				
Deferred revenue	3,225,146	2,401,167	-	-
Other payables	2,339,610	2,519,772	126,335	66,433
Goods and services tax payable	108,123	101,781	-	-
Deposits received	250,000	250,000	-	-
Accrued operating expenses				
- Staff costs	406,327	501,194	-	-
- Others	763,152	414,700	182,000	181,000
	7,092,358	6,188,614	308,335	247,433
	7,207,433	6,409,804	308,335	247,433

Trade payables are non-interest bearing and are generally settled within 30 - 90 days.

Deferred revenue

Deferred revenue represents services for beauty, slimming and spa treatments which have not been rendered as at the balance sheet date.

Other payables

Other payables mainly relate to amounts owing to suppliers for advertising expenditure, training costs, and professional fees owing by the Group as at the balance sheet date.

27 Amounts Due to Directors and Non-controlling Interest

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Current				
Amount due to directors - Loan advances	-	20,000	-	-
Amount due to non-controlling interest	23,616	174,046	-	-
Non-current				
Amount due to directors				
- Loan advances	473,427	-	-	-
- Accrued unpaid salaries	822,815	-	-	-
	1,296,242	-	-	-

As at 31 March 2015 and 2014, the amount due to non-controlling interest which relates to loan advances to a subsidiary of the Group is unsecured, interest-free and repayable on demand.

As at 31 March 2015, the amounts due to directors are unsecured and interest-free. The loan advances to the Group are either repayable by 31 December 2015 or repayable on demand. The accrued unpaid salary is repayable on demand. However, the directors namely Ms Mary Chia Ah Tow and Ms Ho Yow Ping (He YouPing) have given an undertaking not to demand repayment of the loan advances or on maturity of the loan advances, and the accrued unpaid salary due to them by the Group until the cash flows of the Group permit. As management does not expect repayments to be made for any of the foregoing amounts until at least after the next twelve months from the balance sheet date, the amounts due to directors have been accordingly reclassified under non-current liabilities.

As at 31 March 2014, the amount due to directors was unsecured, interest-free and repayable on demand.

28 Bank Overdraft

Bank overdraft of the Group is secured by the following:

(i) Joint and several personal guarantees from certain directors of the Company namely Ms Mary Chia Ah Tow and Ms Ho Yow Ping (He YouPing);
(ii) Corporate guarantee from the Company; and
(iii) Negative pledge over all assets of a subsidiary.

The effective interest rate of the bank overdraft was 8.6% (2014: 8.6%) per annum during the financial year.

29 Provision

	Group	
	2015	2014
	S$	S$
Balance at 1 April	372,291	376,084
Additions/(Write back) during the year	77,335	(3,793)
Balance at 31 March	449,626	372,291
Presented as:		
Current	167,588	276,399
Non-current	282,038	95,892
	449,626	372,291

The Group has recognised a provision for reinstatement costs in accordance with the lease agreements which requires the Group to reinstate the leased premises to its original condition at the end of the lease term. Provision for dismantlement, removal or reinstatement is the estimated costs of dismantlement, removal or reinstatement of property, plant and equipment arising from the acquisition or use of assets, which are capitalised and included in the cost of property, plant and equipment. The provision has not been discounted for the purpose of measuring the provision for reinstatement costs, because the effect is not material.

30 Significant Related Party Transactions

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:
   (i) Has control or joint control over the Company;
   (ii) Has significant influence over the Company; or
   (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions apply:
   (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   (iii) Both entities are joint venture of the same third party.
   (iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.
   (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
   (vi) The entity is controlled or jointly controlled by a person identified in (a);
   (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

30 Significant Related Party Transactions (cont'd)

Transactions with related parties

In addition to the related party information disclosed elsewhere in the financial statements, the related parties transactions during the financial year carried out on terms agreed between the parties are as follows:

	Group	
	2015	2014
	S$	S$
With a related party		
Rental of investment property	1,567,643	1,310,619

The related party refers to an entity in which a director of a subsidiary of the Group has an interest in.

Transactions with non-controlling interest

During the financial year, a subsidiary of the Group disbursed a loan to its non-controlling interest amounted to S$4.9 million. The non-controlling interest is also a director of the subsidiary and the spouse of Ms Ho Yow Ping (He YouPing), a director of the Company. Further details of the loan are disclosed in Note 17.

Key management personnel compensation

The fees and remuneration of the directors of the Company, who are the key management personnel of the Group, are as follows:

	Group	
	2015	2014
	S$	S$
Directors' fees	103,041	120,000
Salaries and other short term employee benefits	748,300	791,525
Defined contribution plans	18,771	24,954
	767,071	816,479

31 Commitments

Operating lease commitments - where the Group is a lessee

The Group leases office premises and service outlets under non-cancellable operating leases. These leases have an average tenure of between one and three years with renewal option and contingent rent provision included in the contracts. The Group is required to pay either absolute fixed annual increase to the lease payments or contingent rents computed based on their sales achieved during the lease period. The Group is restricted from sub-leasing some of its service outlets.

31 Commitments (cont'd)

Operating lease commitments - where the Group is a lessee (cont'd)

Contingent rent recognised as an expense in profit or loss during the financial year amounted to S$141,804 (2014: S$138,858).

The future aggregate minimum lease payable under the non-cancellable operating leases contracted as at the balance sheet date but not recognised as liabilities in the financial statements, are analysed as follows:

	Group	
	2015	2014
	S$	S$
Within one year	3,847,981	3,643,379
After one year but less than five years	3,716,648	3,244,762
	7,564,629	6,888,141

Operating lease commitments - where the Group is a lessor

The Group has entered into an operating lease on its investment property. This non-cancellable lease has remaining lease term of one year with contingent rent provision included in the contract. The Group receives an absolute fixed annual lease receipts and contingent rents computed based on the sales achieved by the lessee during the lease period. The lease includes a clause to enable upward revision of the rental charge on an annual basis based on the prevailing market conditions.

Contingent rent recognised as an income in profit or loss during the financial year amounted to S$67,643 (2014: S$73,119).

The future minimum rental receivable under the non-cancellable operating lease contracted as at the balance sheet date but not recognised as assets in the financial statements, are analysed as follows:

	Group	
	2015	2014
	S$	S$
Within one year	1,500,000	1,500,000
After one year but less than five years	1,312,500	2,812,500
	2,812,500	4,312,500

32 Corporate Guarantees

As at the balance sheet date, the Company has corporate guarantees amounting to S$12,989,479 (2014: S$13,017,844) issued to financial institutions for the finance leases and borrowings of the Group.

The fair value of these corporate guarantees is estimated to be insignificant as management is of the opinion that the relevant subsidiaries of the Group will not default on the repayments of their respective finance leases and borrowings.

33 Financial Risk Management Policies and Objectives

The Group's activities exposed it to a variety of financial risks, including the effects of interest rate risk, credit risk, foreign currency risk and liquidity risk arising in the normal course of the Group's business. The Group's risk management policy seeks to minimise the potential adverse effects from these exposures. Management continuously monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors of the Company is responsible for setting the objectives, the underlying principles of financial risk management for the Group and the Company and establishing the policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits, in accordance with the objectives and underlying principles approved. The Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes.

The following section provide details regarding the Group's and Company's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk relates primarily to variable interest earning/bearing borrowings, bank overdraft and finance lease liabilities.

During the financial year, the Group's bank overdraft and certain borrowings were at variable rates in which effective hedges have not been entered into. If the variable interest rates increase/decrease by 1% with all variables including the income tax rate being held constant, the (loss)/profit after income tax will be higher/lower by S$239,000 (2014: lower/higher by S$202,000) as a result of higher/lower interest expense. The management is of the opinion that the Company's borrowings at variable rates, if any, as at 31 March 2015 and 2014 are not significant, and accordingly, no sensitivity analysis has been disclosed in the financial statements.

33 Financial Risk Management Policies (cont'd)

(a) Interest Rate Risk (cont'd)

The table below sets out the Group's and the Company's exposure to interest rate risks. Included in the tables are the financial assets and financial liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Variable rates S$	Fixed rates S$	Non-interest bearing S$	Total S$
Group				
2015				
Financial Assets				
Amount due from a non-controlling interest	4,905,892	-	-	4,905,892
Trade and other receivables	-	-	541,726	541,726
Other assets	-	-	1,377,912	1,377,912
Cash and bank balances	-	30,278	1,803,073	1,833,351
Total Financial Assets	4,905,892	30,278	3,722,711	8,658,881
Financial Liabilities				
Trade and other payables	-	-	3,874,164	3,874,164
Amounts due to directors and non-controlling interest	-	-	1,319,858	1,319,858
Finance lease liabilities	-	443,191	-	443,191
Borrowings	28,623,795	786,547	-	29,410,342
Bank overdraft	209,901	-	-	209,901
Total Financial Liabilities	28,833,696	1,229,738	5,194,022	35,257,456
2014				
Financial Assets				
Trade and other receivables	-	-	400,082	400,082
Other assets	-	-	1,366,885	1,366,885
Cash and bank balances	-	930,508	630,022	1,560,530
Total Financial Assets	-	930,508	2,396,989	3,327,497
Financial Liabilities				
Trade and other payables	-	-	3,906,856	3,906,856
Amounts due to directors and non-controlling interest	-	-	194,046	194,046
Finance lease liabilities	-	421,140	-	421,140
Borrowings	24,135,714	46,470	-	24,182,184
Bank overdraft	221,642	-	-	221,642
Total Financial Liabilities	24,357,356	467,610	4,100,902	28,925,868

33 Financial Risk Management Policies (cont'd)

(a) Interest Rate Risk (cont'd)

	Variable rates S$	Fixed rates S$	Non-interest bearing S$	Total S$
Company				
2015				
Financial Assets				
Trade and other receivables	-	-	9,351	9,351
Other assets	-	-	7,850	7,850
Amount due from subsidiaries	-	-	494,130	494,130
Cash and bank balances	-	-	171,417	171,417
Total Financial Assets	-	-	682,748	682,748
Financial Liabilities				
Trade and other payables	-	-	308,335	308,335
Amount due to subsidiaries	-	-	8	8
Borrowings	-	786,547	-	786,547
Total Financial Liabilities	-	786,547	308,343	1,094,890
2014				
Financial Assets				
Trade and other receivables	-	-	8,970	8,970
Other assets	-	-	6,500	6,500
Amount due from subsidiaries	-	-	264,985	264,985
Cash and bank balances	-	-	438,600	438,600
Total Financial Assets	-	-	719,055	719,055
Financial Liabilities				
Trade and other payables	-	-	247,433	247,433
Amount due to subsidiaries	-	-	6,000	6,000
Borrowings	379,994	-	-	379,994
Total Financial Liabilities	379,994	-	253,433	633,427

33 Financial Risk Management Policies (cont'd)

(b) Credit Risk

Credit risk is the risk that may arise should a customer or counterparty to a financial instrument default on its contractual obligations resulting in a financial loss to the Group.

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

Financial assets that are neither past due nor impaired

Cash and bank balances are mainly deposits placed with reputable banks. Trade and other receivables and deposits that are neither past due nor impaired are with customers with a good collection track records with the Group.

Financial assets that are past due and/or impaired

There is no other class of financial assets that are past due and/or impaired as at the balance sheet date except for trade and other receivables.

The table below is an analysis of the Group's trade and other receivables that are past due but not impaired as at the balance sheet date:

	Group	
	2015	2014
	S$	S$
Past due but not impaired #	142,643	89,954

The age analysis of trade and other receivables past due but not impaired as at the balance sheet date is as follows:

	Group	
	2015	2014
	S$	S$
Past due within 30 days	32,622	9,071
Past due within 31 to 90 days	22,320	77,457
Past due over 90 days	87,701	3,426
	142,643	89,954

33 Financial Risk Management Policies (cont'd)

(b) Credit Risk (cont'd)

<u>*Financial assets that are past due and/or impaired*</u> (cont'd)

	Group	
	2015	2014
	S$	S$
Individually impaired trade and other receivables	58,027	58,027
Less: Allowance for impairment loss (Note 16)	(58,027)	(58,027)
	-	-

Movement in allowance for impairment loss:

	Group	
	2015	2014
	S$	S$
Balance at 1 April	58,027	-
Charged to profit or loss	-	58,027
Balance at 31 March	58,027	58,027

During the financial year, the Group has certain trade receivables written off amounting to S$4,872 (2014: Nil) (Note 8).

(c) Foreign Currency Risk

Foreign currency risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's and the Company's foreign currency exposure is not significant as majority of the entities of the Group and the Company operate mainly in Singapore. The foreign currency exposure arising from its Malaysia subsidiaries, which transacts mainly in Malaysian ringgit, is insignificant. Accordingly, no sensitivity analysis has been disclosed in the financial statements.

(d) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations due to shortage of funds.

In the management of liquidity risk, the Group monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Group's operations and where required, mitigate the effects of fluctuation in cash flows. The Group obtains additional funds through borrowings, finance leases and bank overdraft. Further discussion on the Group's liquidity risk is disclosed in Note 2.

33 Financial Risk Management Policies (cont'd)

(d) Liquidity Risk (cont'd)

The table below analyses the maturity profile of the Group's and of the Company's financial liabilities based on contractual undiscounted cash flows as at the balance sheet date.

	Carrying amount S$	Contractual cash flows S$	Within one year S$	After one year but less than five years S$	More than five years S$
Group					
2015					
Trade and other payables	3,874,164	3,874,164	3,874,164	-	-
Amounts due to directors and non-controlling interest	1,319,858	1,319,858	23,616	1,296,242	-
Financial lease liabilities	443,191	473,784	203,289	248,774	21,721
Borrowings	29,410,342	33,395,914	7,866,877	8,882,863	16,646,174
Bank overdraft	209,901	209,901	209,901	-	-
	35,257,456	39,273,621	12,177,847	10,427,879	16,667,895
2014					
Trade and other payables	3,906,856	3,906,856	3,906,856	-	-
Amounts due to directors and non-controlling interest	194,046	194,046	194,046	-	-
Financial lease liabilities	421,140	458,312	168,560	289,752	-
Borrowings	24,182,184	26,865,275	5,004,754	7,970,307	13,890,214
Bank overdraft	221,642	221,642	221,642	-	-
	28,925,868	31,646,131	9,495,858	8,260,059	13,890,214
Company					
2015					
Trade and other payables	308,335	308,335	308,335	-	-
Amount due to subsidiaries	8	8	8	-	-
Borrowings	786,547	862,514	302,340	560,174	-
	1,094,890	1,170,857	610,683	560,174	-
2014					
Trade and other payables	247,433	247,433	247,433	-	-
Amount due to subsidiaries	6,000	6,000	6,000	-	-
Borrowings	379,994	379,994	379,994	-	-
	633,427	633,427	633,427	-	-

33 Financial Risk Management Policies (cont'd)

(d) Liquidity Risk (cont'd)

Corporate guarantees

As disclosed in Note 32, the maximum amount the Company could be forced to settle under all the outstanding financial guarantee contracts if the full guaranteed amount is claimed by the counterparty to the guarantees is S$12,989,479 (2014: S$13,017,844) within one year. Based on expectations as at the balance sheet date, the directors of the Company consider that it is not probable that any amount will be payable under these guarantees.

(e) Fair Values

i. *Fair Value of the Group's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis*

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 - Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The management has assessed that the fair value of the investment property (Note 13) is based on the current market prices of properties in the vicinity. The fair value of this property is classified under Level 2 (2014: Level 2) of the fair value hierarchy.

The following table represents the changes in Level 3 during the previous financial year:

	Group
	2014
	S$
Beginning of financial year	54,537,552
Transfer to Level 2	(54,537,552)
End of financial year	-

During the previous financial year, the Group had transferred its investment property from Level 3 to Level 2 as the directors of the Company had assessed that the direct comparison method is more reflective of the investment property's market value instead of the profit method, as supported by the valuation made by the external qualified and independent valuer.

The Group's policy is to recognise transfer into and out of fair value hierarchy level at the beginning of the reporting period.

33 Financial Risk Management Policies (cont'd)

(e) Fair Values (cont'd)

ii. Fair Value of the Group's Financial Assets and Liabilities that are not Measured at Fair Value on a Recurring Basis (but Fair Value Disclosure is Required)

The following summarises the significant methods and assumption used in estimating fair values of financial instruments of the Group.

Long-term financial assets and financial liabilities

The fair values of long term deposits, borrowings and finance lease liabilities are calculated based on discounted expected future principal and interest cash flows. The discount rates used are based on market rates for similar instruments as at the balance sheet date. The carrying amounts of these long term deposits, borrowings and finance lease liabilities approximate their fair values.

The amounts due to directors reclassified under non-current liabilities as disclosed in Note 27 approximate their fair value as management does not expect the amounts to be significantly different from the eventual repayments made. The management has assumed the repayments are not made until at least after the next twelve months from the balance sheet date.

Other financial assets and financial liabilities

The carrying amounts of other financial assets and financial liabilities which have a maturity of less than one year are assumed to approximate their fair value because of the short term period of maturity.

34 Capital Management

The Group's capital management policy is to ensure that it maintains capital ratios with a view to optimise shareholders' value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payout to shareholders, return capital to shareholders or issue new shares.

Management monitors capital with reference to net debt to total capital ratio including the maintenance of the net worth of the Company and certain subsidiaries according to the financial covenants of the Group's borrowings (Note 24). The Group's strategies are to maintain a prudent balance between the advantage and flexibility afforded by a strong capital position and the higher return on equity that is possible with greater leverage.

The net debt to total capital ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, finance lease liabilities, bank overdraft, amounts due to directors and non-controlling interest plus trade and other payables less cash and bank balances. Total equity is calculated as share capital plus reserves and non-controlling interest. Total capital is calculated as total equity plus net debt.

34 Capital Management (cont'd)

The net debt to total capital ratio is calculated as follows:

	Group	
	2015	2014
	S$	S$
Net debt	36,757,374	29,868,286
Total equity	32,818,551	35,500,594
Total capital	69,575,925	65,368,880
Net debt to total capital ratio	53%	46%

There were no externally imposed capital requirement that the Group needs to be in compliance with for the financial years ended 31 March 2015 and 2014. There were also no changes in the Group's approach to capital management during the financial years ended 31 March 2015 and 2014.

35 Segment Information

Management has determined the operating segments based on the reports reviewed to make strategic decisions. Each segment represents a strategic business unit that offers different types of products or services provided. The Group's reportable segments are as follows:

- Beauty, slimming and spa treatments for women
- Beauty, slimming and spa treatments for men
- Investment holding

Inter-segment transactions are determined on an arm's length basis.

Segment assets comprise cash and bank balances, trade and other receivables, inventories, investment property, property, plant and equipment and other current assets. Segment assets exclude deferred tax assets.

Segment liabilities comprise primarily trade and other payables, specific borrowings, provisions and amounts due to directors and non-controlling interest which can be attributable to the specific segments. Segment liabilities exclude items such as general borrowings, general finance lease liabilities and income tax payable.

35 Segment Information (cont'd)

	Beauty, slimming and spa treatments for women	Beauty, slimming and spa treatments for men	Investment holding	Total
	S$	S$	S$	S$
Group				
2015				
Revenue	11,963,059	2,206,713	1,810,792	15,980,564
Inter-segment revenue	(644,623)	-	(243,148)	(887,771)
Revenue from external customers	11,318,436	2,206,713	1,567,644	15,092,793
Adjusted EBITDA	(1,107,896)	(828,590)	1,211,468	(725,018)
Other information				
Capital expenditure	383,588	239,408	-	622,996
Depreciation	1,059,600	154,532	75	1,214,207
Trade receivables written off	4,872	-	-	4,872
Assets				
Segment assets	7,442,825	928,122	63,430,529	71,801,476
Liabilities				
Segment liabilities	7,911,871	1,063,326	30,065,154	39,040,351
2014				
Revenue	14,021,554	2,905,886	1,516,569	18,444,009
Inter-segment revenue	(1,034,134)	-	(205,950)	(1,240,084)
Revenue from external customers	12,987,420	2,905,886	1,310,619	17,203,925
Adjusted EBITDA	919,841	294,817	3,615,332	4,829,990
Other information				
Capital expenditure	220,054	204,313	-	424,367
Allowance for impairment loss of trade and other receivables	58,027	-	-	58,027
Depreciation	976,005	183,291	225	1,159,521
Fair value gain on investment property	-	-	2,638,914	2,638,914
Assets				
Segment assets	8,312,816	755,127	58,008,499	67,076,442
Liabilities				
Segment liabilities	6,233,603	803,203	24,764,301	31,801,107

35 Segment Information (cont'd)

Geographical information

The Group operates in two principal geographical areas - Singapore (country of domicile) and Malaysia.

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue from external customers		Non-current assets	
	2015	2014	2015	2014
	S$	S$	S$	S$
Singapore	12,008,098	14,285,490	61,966,635	62,411,237
Malaysia	3,084,695	2,918,435	346,531	529,580
	15,092,793	17,203,925	62,313,166	62,940,817

Information about major customers

The Group did not derive any significant revenue from any single customer during the financial year except for the rental income of S$1,567,643 (2014: S$1,310,619) in the investment holding segment.

Reconciliations

A reconciliation of total adjusted EBITDA to (loss)/profit before income tax is as follows:

	Group	
	2015	2014
	S$	S$
Adjusted EBITDA for reported segments	(725,018)	4,829,990
Depreciation of property, plant and equipment	(1,214,207)	(1,159,521)
Interest expense	(557,844)	(561,634)
Interest income	14,485	2,055
(Loss)/Profit before income tax	(2,482,584)	3,110,890

35 Segment Information (cont'd)

Reconciliations (cont'd)

A reconciliation of total assets and total liabilities for reportable segments to total assets and total liabilities is as follows:

	Group	
	2015	2014
	S$	S$
Assets		
Total assets for reportable segments	71,801,476	67,076,442
Unallocated assets:		
- Deferred tax assets	260,021	342,378
Total assets	72,061,497	67,418,820
Liabilities		
Total liabilities for reportable segments	39,040,351	31,801,107
Unallocated liabilities:		
- Income tax payable	202,595	117,119
Total liabilities	39,242,946	31,918,226

36 Subsequent Events

(a) Incorporation of MSB Beauty Pte. Ltd.

Subsequent to the financial year ended 31 March 2015, the Group's wholly owned subsidiary, Mary Chia Beauty and Slimming Specialist Pte. Ltd. ("MCBSS"), entered into a joint venture agreement with Slim Beauty House Co. Ltd ("SBH"), a company incorporated in Japan, for the purpose of setting up a beauty and slimming service centre to provide and distribute wellness related services and consultations in Singapore.

On 24 April 2015, a joint venture company, MSB Beauty Pte. Ltd. ("JV Company"), was incorporated in Singapore with a total issued and paid up capital of S$100. MCBSS holds 51% of the equity interest in the JV Company and SBH holds the remaining 49% equity interest.

36 Subsequent Events (cont'd)

(b) Establishment of Scinn Medical Centre

On 18 June 2015, the Group's wholly owned subsidiary, Mary Chia Beauty and Slimming Specialist Pte. Ltd. ("MCBSS"), entered into an agreement ("Agreement") with Kaelin Pte. Ltd. ("Kaelin"), the non-controlling interest of Scinn Pte. Ltd. ("Scinn"), a subsidiary of the Company, for the purpose of establishing a medical centre known as Scinn Medical Centre (the "Centre") with a total future capital contribution of S$750,000 in the proportion of their shareholdings in Scinn. The Centre will be in the business of providing the distributing aesthetic related treatment and services in Singapore on the terms and subject to the conditions set forth in the Agreement.

(c) Additional Capital Injection to a Subsidiary

Subsequent to the financial year ended 31 March 2015, the Company's wholly owned subsidiary, Organica International Holdings Pte. Ltd., received an additional capital injection of S$999,999 from the Company.

STATISTICS OF SHAREHOLDINGS

31 MARCH 2015

Issued and fully paid-up capital	:	S$ 7,471,212
Number of shares issued	:	163,495,140 shares
Number of treasury shares	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per share

Distribution of shareholdings as at 16 June 2015

Size of shareholdings	No. of shareholders	%	No. of Shares	%
1 - 99	0	0.00	0	0.00
100 - 1,000	160	25.36	158,100	0.10
1,001 - 10,000	162	25.67	1,114,000	0.68
10,001 - 1,000,000	304	48.18	21,886,800	13.39
1,000,001 & ABOVE	5	0.79	140,336,240	85.83
TOTAL	631	100.00	163,495,140	100.00

Twenty largest shareholders

No.	Name of shareholders	No. of shares	%
1	Chia Ah Tow Mary	99,707,046	60.99
2	Ho Yow Ping (He YouPing)	32,680,000	19.99
3	Wong Ming Kwong	4,908,094	3.00
4	Seah Boon Lock	1,760,000	1.08
5	United Overseas Bank Nominees Pte Ltd	1,281,100	0.78
6	DBS Nominees Pte Ltd	975,000	0.60
7	Ng Lee Cheh	750,000	0.46
8	Sharad Pandurang Vishwasrao	650,000	0.40
9	OCBC Securities Private Ltd	515,000	0.32
10	Wong Fook Shyang	481,000	0.29
11	Sim Lye Huat	470,000	0.29
12	CIMB Securities (Singapore) Pte Ltd	444,000	0.27
13	Lee Sze Kian	409,000	0.25
14	Estate of Leow Sau Ching Helena, Deceased	400,000	0.25
15	Teh Kee Hong	400,000	0.25
16	City Life Advertising Pte Ltd	357,000	0.22
17	Thng Geok Lan	335,000	0.21
18	Lee Lian Choon	332,000	0.20
19	Shen Mau Sng	330,000	0.20
20	UOB Kay Hian Pte Ltd	328,000	0.20
	Total:	147,512,240	90.25

STATISTICS OF SHAREHOLDINGS

31 MARCH 2015

SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders as at 16 June 2015

Name of shareholders	Direct interest No. of shares	%	Deemed interest No. of shares	%
Chia Ah Tow Mary[1]	99,707,046	60.99	-	-
Ho Yow Ping (He YouPing)[1]	32,680,000	19.99	-	-

Notes:

(1) The Company's Chief Executive Officer, Ms Ho Yow Ping (He YouPing), is the daughter of the Company's Executive Chairman, Ms Chia Ah Tow Mary

PUBLIC FLOAT

Based on the information available to the Company as at 16 June 2015, approximately 19.02% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Mary Chia Holdings Limited (the "**Company**") will be held at SAFRA Toa Payoh, 293 Toa Payoh Lorong 6, Level 3, Function Room, Singapore 319387 on Tuesday, 28 July 2015 at 9.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and Audited Financial Statements of the Company for the financial year ended 31 March 2015 together with the Auditors' Report thereon. **Resolution 1**

2. To approve the payment of Directors' fees of $110,000 for the financial year ending 31 March 2016 (2015: S$120,000.00). **Resolution 2**

3. To re-elect the following Directors of the Company, who are retiring by rotation pursuant to Article 98 of the Company's Articles of Association:-

   (i) Ms Ho Yow Ping (He YouPing) **Resolution 3**

   (ii) Mr Pao Kiew Tee **Resolution 4**

   Mr Pao Kiew Tee will, upon re-election as a Director of the Company, remain as a member of the Audit Committee, Remuneration Committee and Nominating Committee. He will be considered independent for the purposes of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

4. To re-elect Mr Chia Chor Leong who is retiring pursuant to Article 102 of the Company's Articles of Association, as a Director of the Company. **Resolution 5**

   Mr Chia Chor Leong will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. He will be considered independent for the purposes of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

5. To re-appoint Messrs Moore Stephens LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **Resolution 6**

6. To transact any other ordinary business which may be properly transacted at an annual general meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:-

7. **Authority to allot and issue shares in the capital of the Company (the "Share Issue Mandate")**

"That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Catalist Rules**"), the Directors of the Company be authorised and empowered to:

(a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) notwithstanding that the authority conferred by this Resolution may have ceased to be in force, issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution is in force,

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed, of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares) at the time this Resolution is passed, after adjusting for:-

(i) new Shares arising from the conversion or exercise of the convertible securities;

(ii) new Shares arising from exercising of share options or vesting of share awards outstanding and/or subsisting at the time this Resolution is passed, provided that share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or sub-division of Shares.

(3) in exercising the authority conferred by this Ordinary Resolution 7, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Articles of Association for the time being of the Company; and

(4) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law and the Catalist Rules to be held, whichever is the earlier."
[See Explanatory Note] **Resolution 7**

BY ORDER OF THE BOARD

Shirley Lim Guat Hua
Company Secretary

Singapore: 10 July 2015

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Note:

The Ordinary Resolution 7 proposed in item 7, if passed, will empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to allot and issue Shares and convertible securities in the Company, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors may consider would be in the best interests of the Company. The number of Shares and convertible securities that the Directors may allot and issue under this Resolution would not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares) at the time of the passing of this Resolution. For issue of Shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares) at the time of the passing of this Resolution.

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting may appoint not more than two proxies to attend and vote instead of him.

2. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.

3. If the member is a corporation, the instrument appointing the proxy must be executed under seal or the hand of an officer or attorney duly authorised.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 246 Macpherson Road, #05-03/04 Betime Building, Singapore 348578 not less than 48 hours before the time set for the Annual General Meeting.

PERSONAL DATA PRIVACY:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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PROXY FORM
ANNUAL GENERAL MEETING

Mary Chia Holdings Limited
(Incorporated in the Republic of Singapore)
(Registration No: 200907634N)

I / We ____

NRIC/Passport No./Company Incorporation No. ______________________________

of ____

being a member/members of Mary Chia Holdings Limited (the "Company"), hereby appoint

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting ("AGM") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the AGM of the Company to be held at SAFRA Toa Payoh, 293 Toa Payoh Lorong 6, Level 3, Function Room, Singapore 319387 on Tuesday, 28 July 2015 at 9.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick "√" within the box provided)

No.	**Resolutions relating to:**	**For**	**Against**
	Ordinary Business		
1	Adoption of Directors' Report and Audited Financial Statements of the Company for the financial year ended 31 March 2015 together with the Auditors' Report		
2	Approval of Directors' fees of $110,000 for the financial year ending 31 March 2016 (2015: S$120,000.00)		
3	Re-election of Ms Ho Yow Ping (He YouPing) as a Director of the Company		
4	Re-election of Mr Pao Kiew Tee as a Director of the Company		
5	Re-election of Mr Chia Chor Leong as a Director of the Company		
6	Re-appointment of Messrs Moore Stephens LLP as Auditors of the Company		
	Special Business		
7	Authority to allot and issue shares pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore		

Dated this ____________ day of ______________ 2015

Total No. of Shares held

____

Signature(s) of member(s) or common seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM
ANNUAL GENERAL MEETING

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy.

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

6. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 246 Macpherson Road, #05-03/04 Betime Building, Singapore 348578 not less than 48 hours before the time set for the AGM.

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register as at 48 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 July 2015.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mary Chia Ah Tow *(Executive Chairman)*
Ho Yow Ping *(He YouPing) (CEO)*
Yeung Koon Sang @ David Yeung *(Independent Director)*
Pao Kiew Tee *(Independent Director)*
Chia Chor Leong *(Independent Director)*

COMPANY SECRETARY

Shirley Lim Guat Hua, ACIS

REGISTERED OFFICE

246 Macpherson Road
#05-03/04 Betime Building
Singapore 348578
Tel: (65) 6252 9651
Fax: (65) 6255 6862
www.marychia.com

SHARE REGISTRAR

B.A.C.S Private Limited
63 Cantonment Road
Singapore 089758

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318

AUDITORS

Moore Stephens LLP
Public Accountants and Chartered Accountants
10 Anson Road #29-15
International Plaza
Singapore 079903
Partner-in-charge
Ng Chiou Gee Willy
(Appointed in financial year 2015)
(a member of the Institute of Singapore Chartered Accountants)

MARY CHIA
HOLDINGS LIMITED

CORPORATE OFFICE (SINGAPORE)
- **Betime Building** 62529651 246 Macpherson Road, #05-03/04, Singapore 348578

MARY CHIA LIFESTYLE & WELLNESS CENTRES (SINGAPORE) **HOTLINE: 1800-250-2001**
- **Century Square Shopping Centre** 67866188 2 Tampines Central 5, #05-01/04, Singapore 529509
- **Jurong Point Shopping Centre** 67930166 63 Jurong West Central 3, #B1-100/102, Singapore 648331
- **NEX** 62866616 23 Serangoon Central, #04-47/48, Singapore 556083
- **Novena** 62507949 183/185 Thomson Road, Goldhill Centre, Singapore 307628
- **OG Albert Complex** 63330166 60 Albert Street, #02-02 (inside OG), Singapore 189969
- **OG Orchard Point** 67320220 160 Orchard Road, #02-18 (inside OG), Singapore 238842
- **Parkway Parade** 63442866 80 Marine Parade Road, #05-15/16, Singapore 449269
- **The Clementi Mall** 66591161 3155 Commonwealth Avenue West, #03-01/02, Singapore 129588

MARY CHIA LIFESTYLE & WELLNESS CENTRES (MALAYSIA) **HOTLINE: 1700 80 0661**
- **Mid Valley City** +6016 713 1664 Unit 53-1, 1st Floor, The Boulevard, Lingkaran Syed Putra, 59200 Kuala Lumpur
- **1Utama Shopping Centre** +6016 710 1664 Lot S117E, 2nd Floor, 1 Lebuh Bandar Utama, Bandar Utama City Centre, 47800 Petaling Jaya, Selangor
- **Plaza Pelangi** +6016 702 1664 Lot No 1.19A, Level 1, Jalan Kuning, Taman Pelangi, 80400 Johor Bahru
- **Sunway Pyramid** +6016 920 1664 Lot LG2, 122C, Lower Ground 2, 3 Jalan PJS 11/15, Bandar Sunway, 46150 Petaling Jaya, Selangor
- **Sutera Mall** +6016 229 1664 Jalan Sutera Tanjung 8/4, L3-032, Taman Sutera Utama, 81300 Skudai, Johor
- **Tropicana City Mall** +6016 228 1664 Lot L2-31/32, 2nd Floor, Jalan SS 20/27, 47400 Petaling Jaya, Selangor

www.marychia.com

URBAN HOMME LIFESTYLE & WELLNESS CENTRES (SINGAPORE) **HOTLINE: 1800-250-2001**
- **Century Square Shopping Centre** 64816166 2 Tampines Central 5, #05-01/04, Singapore 529509
- **Jurong Point Shopping Centre** 63160166 63 Jurong West Central 3, #B1-103, Singapore 648331
- **NEX** 62846166 23 Serangoon Central, #04-47/48, Singapore 556083
- **Parkway Parade** 63446166 80 Marine Parade Road, #05-15/16, Singapore 449269
- **The Clementi Mall** 65706626 3155 Commonwealth Avenue West, #03-03, Singapore 129588

www.urbanhommeformen.com

LPG ENDERMOSPA LIFESTYLE & WELLNESS CENTRE (SINGAPORE)
- **Ngee Ann City** 67346626 391B Orchard Road, #05-22A, Tower B, Singapore 238872

sg.endermospa.com

MASEGO LIFESTYLE & WELLNESS CENTRE (SINGAPORE)
- **SAFRA Jurong** 67901661 333 Boon Lay Way, #4A-01 (Level 3), Leisure Wing, Singapore 649848

www.masego.com.sg

HUANG AH MA LIFESTYLE & WELLNESS CENTRE (SINGAPORE)
- **Porcelain Hotel** 65361661 50 Mosque Street, Singapore 059528

www.huangahma.com

GO60 LIFESTYLE & WELLNESS CENTRE (SINGAPORE)
- **Esplanade Xchange** 63380660 90 Bras Basah Road, #B1-24, Singapore 189562

www.go60.sg

MCU BEAUTITUDES LIFESTYLE & WELLNESS CENTRE (MALAYSIA)
- **Sunway Pyramid** +6016 920 4522 Lot LG2, 122A, Lower Ground 2, 3 Jalan PJS 11/15, Bandar Sunway, 46150 Petaling Jaya, Selangor

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