

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

MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL RESULTS ANNOUNCEMENT AND THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

The board of directors (the "**Board**") of Mary Chia Holdings Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the unaudited full year results announcement for the financial year ended 31 March 2021 ("**FY2021**") released on 30 June 2021 (the "**Unaudited Results**")

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Board wishes to highlight that there are material variances between the Unaudited Results and the audited financial statements for FY2021 ("**Audited Results**")

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

Consolidated Statement of the Group's Comprehensive Income for the year ended 31 March 2021 ("FY2021")

	<u>(Audited)</u>	<u>(Unaudited)</u>	<u>Variance</u>	<u>Variance</u>	<u>Notes</u>
	S\$'000	S\$'000	S\$'000	%	
Revenue	9,342	9,012	330	4	1
Other operating income	2,574	2,059	515	25	2
Purchases and related costs	(1,170)	(1,387)	(217)	(16)	3
Changes in inventories	(107)	(65)	42	65	3
Depreciation of plant and equipment	(179)	(159)	20	13	4
Depreciation of right-of-use assets	(988)	(985)	3	0.31	N.M.
Staff costs	(5,013)	(4,931)	82	2	N.M.
Operating lease expenses	(150)	(121)	29	24	5
Other operating expenses	(2,380)	(2,432)	(52)	(2)	N.M.
Finance costs	(412)	(311)	101	32	6
Income tax expense	(74)	(127)	(53)	(42)	7
Non-controlling interests	(508)	55	563	N.M.	8

N.M.: not meaningful

Notes:

1. Revenue increased mainly due to reclassification of unearned revenue to revenue and the reclassification of invoices into the appropriate accounting period.
2. Other operating income increased due to recognition of gain on fair value changes in the call option for the remaining 20% equity in Monsoon Hairdressing group [amounting to S\$69,000], and gain on loan to share conversion amounting to S\$346,000.
3. Purchases and related costs decreased due to corresponding revenue recognition into the appropriate accounting period.
4. Depreciation of plant and equipment increased due to additional fixed assets recognised and re-computation of depreciation for the financial year.
5. Operating lease expenses decreased due to subsequent adjustments in respect of SFRS (1) 16 Leases for lease expenses of Malaysia subsidiaries' office and outlets.
6. Finance cost increased due to the discounted provision for re-instatement of premises leased by Monsoon Hairdressing group.

7. Income tax reduced despite the increase in Group profits due to the negative tax provided in loss making subsidiaries.
8. Non-controlling interest decreased by S\$563,000 due to adjustments for share of losses attributable to the individual entities in the Monsoon Hairdressing group.

Consolidated Statement of Financial Position as at 31 March 2021

<u>Group</u>	<u>(Audited)</u>	<u>(Unaudited)</u>	<u>Variance</u>	<u>Variance</u>	<u>Notes</u>
	S\$'000	S\$'000	S\$'000	%	
<u>Derivative financial instruments</u>	320	203	(117)	(57.6)	9
Deferred tax assets	351	-	351	N.M	10
Inventories	823	664	159	24	11
Trade and other receivables	1,120	2,254	(1,134)	(50)	12
Cash and cash equivalents	1,562	1,205	357	30	13
Share capital	11,601	12,503	(902)	(7)	14
Reserves	(16,657)	(18,667)	2,010	11	15
Lease liabilities (Non-current)	3,426	2,031	1,395	69	16
Lease liabilities (current)	3,260	4,585	(1,325)	(29)	16
Deferred tax liabilities	299	-	299	N.M	11
Trade and other payables	6,145	7,504	(1,359)	(18)	17
Deferred consideration payable	1,011	-	1,011	N.M	17
Contract liabilities	1,637	2,264	(627)	(28)	18
Provision (Current)	355	175	180	103	19

Notes:

9. Derivative financial instruments refers to the call option on the remaining 20% equity in Monsoon Hairdressing group. The amount increased as revenue in Monsoon Hairdressing group was revised upwards. (See Note 1 above)
10. Deferred tax assets/liabilities increased by S\$351,000 and S\$299,000 respectively mainly due the recognition of deferred tax pertaining to the different entities within the Monsoon Hairdressing Group.
11. Inventories increased by S\$159,000 corresponding to the reclassification of invoices into the appropriate accounting period.
12. Trade and other receivables decreased mainly due to the reclassification to amounts due from related parties.
13. Cash and cash equivalents increased arising from a reclassification of cheque payments into the appropriate accounting period.
14. Share capital decreased due to fair value adjustments to shares issued for the acquisition of Monsoon Hairdressing group and in respect of the debt conversion.
15. Reserves decreased due to the higher profit recognised in the Audited Results as compared to the Unaudited Results.
16. Lease liabilities changed as a result of the reclassification between the current and non-current categories and recognition of additional non-current lease liabilities.
17. Trade and other payables decreased mainly due to the reclassification of deferred consideration payable and some intercompany balances.
18. Contract liabilities decreased mainly due to the reclassification of some deferred revenue as revenue.
19. Provision (current) increased mainly due to provision for re-instatement of premises of the Monsoon Hairdressing Group

Consolidated Statement of Cash Flow for FY2021

	<u>(Audited)</u>	<u>(Unaudited)</u>	<u>Variance</u>	<u>Variance</u>	<u>Notes</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	
Net cash generated from operating activities	3,023	2,465	558	23	20
Net cash used in financing activities	1,758	1,638	120	7	21

Notes:

20. Net cash generated from operating activities changed as a result of the abovementioned adjustments to the various accounts.
21. Net cash used in financing activities increased due to the reclassification of repayment of lease liabilities from other operating expenses.

BY ORDER OF THE BOARD

Wendy Ho

Chief Executive Officer

15 September 2021

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

The contact person for the Sponsor is Ms Charmian Lim (Tel: (65) 6232 3210), at 1 Robinson Road, #21- 00 AIA Tower, Singapore 048542.