CAMSING HEALTHCARE LIMITED

(Company Registration No. 197903888Z)
(Incorporated in the Republic of Singapore)

ANNOUNCEMENTOF UNAUDITED FINANCIAL RESULTS FOR THE FULL YEAR ENDED 31ST JANUARY 2019

Introduction

1. Pursuant to the SGX-ST Listing Rules, the Company was supposed to release the unaudited financial results ("**Unaudited Financial Results**") for the financial year ended 31 January 2019 ("**FY2019**") in or around March 2019. It was around then, however, the Company's former auditors, Deloitte & Touche LLP ("**DT**"), highlighted certain matters ("**Audit Matters**") to the then Audit Committee ("**AC**") during the course of its statutory audit for FY2019 ("**FY2019 Audit**").[1] Consequently, this triggered a special audit when the Company was directed by SGX Regco to appoint a special auditor to investigate these Audit Matters. In April 2019, RSM Corporate Advisory Pte Ltd ("**RSM**") was appointed as Special Auditors.[2] The FY2019 Audit was also suspended.

2. Shortly after the Audit Matters were raised by DT, the Company had undergone significant changes in its Board composition which saw the concurrent resignation of three former independent directors ("**IDs**") in March 2019 and the suspension of the former Executive Chairman in or around June 2019. The latest changes being the resignation of two IDs on 15 September 2021.[3] The Company is still in the process of appointing two new IDs to fill the vacancy resulted from these recent resignations.

3. Since their appointment in April 2019, RSM commenced work and issued its Special Audit Report ("**SAR**") on 1 September 2020. A copy of the executive summary of the SAR ("**ES-SAR**") was published by the Company on the SGXNet on the same day. The Board noted that there were certain internal control lapses and some purported "round-trip" trading transactions (for which the Special Auditors did *not* find any conclusive evidence that they were indeed round-tripping). Further, the Board is also pleased to note that the Group was *not* involved in any allegations of fraud.

4. Upon the release of the ES-SAR, the Company requested DT to urgently resume and complete its FY2019 Audit so that we could present such audited financial statements to the shareholders at a general meeting. However, DT raised certain issues (concerning mainly their alleged outstanding fees for FY2019 Audit and potential threat to audit independence) which eventually led to the change of auditors from DT to Crowe Horwath First Trust LLP ("**Crowe**"). Crowe was appointed on 17 November 2021.[4]

5. In view of the long lapse of time amounting to more than 2.5 years, and the disruptions engendered by changes in the Board's composition and the management team, coupled with the adverse effect brought about by the COVID-19 pandemic, the incumbent Management and Board of Directors have encountered significant challenges in preparing the FY2019 Unaudited Financial Results. While the FY2019 financials (and FY2020's and FY2021's, for that matter) (including the Audit Matters as highlighted by DT) were essentially under the watch of the former management and Board, the incumbent Management and Board of Directors are committed to completing and releasing the same as soon as practicable. In doing so, the Management and Board of Directors have exercised significant judgments by taking a prudent and pragmatic approach with a reasonable dose of commercial reality and efficacy.

6. Shareholders of the Company are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take, should consult their legal, financial, tax or other professional advisers. Shareholders and potential investors of the Company are reminded that the trading suspension of the Company's shares will continue and will only be lifted after the Company has submitted

[1] See Company's Announcement on SGXNet dated 29 March 2019.
[2] See Company's Announcement on SGXNet dated 23 April 2019.
[3] See Company's Announcements on SGXNet dated 16 September 2021 and 1 October 2021.
[4] See Company's Announcements on SGXNet dated 6 October 2021, 2 November 2021 and 17 November 2021 as well as Company's Circular dated 2 November 2021 for more details of the changes in the appointment of auditors.

a trading resumption proposal pursuant to Rule 1304 of the Listing Manual and upon fulfilment of the conditions required by SGX RegCo, and SGX RegCo indicating that it has no objections to the resumption proposal.

Part I Information required for announcements of quarterly (Q1, Q2 & Q3), Half year and Full year results

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Unaudited Financial Year Ended 31.01.19	**Audited Financial Year Ended 31.01.18**	Change % +/-
	S$'000	**S$'000**	
Revenue	**8,585**	14,912	-42
Cost of sales	**(3,877)**	(6,311)	-38
Gross profit	**4,708**	8,601	-45
Other income:			
Interest income	**19**	29	-34
Other income and gains	**112**	470	76
Expenses and Losses:			
Marketing and distribution costs	**(6,243)**	(6,636)	-6
General and administrative and other operating expenses	**(2,455)**	(2,288)	7
Finance costs	**(89)**	(54)	65
Loss on deemed disposal of subsidiary	**(438)**	-	
Impairment loss on associate	**(1,058)**	-	
Impairment loss on non-trade receivables	**(768)**	-	
Share of results of associate	**(422)**	-	
(Loss)/ Profit before tax	**(6,634)**	122	N.M.
Income tax expense	**-**	(115)	N.M.
(Loss)/ Profit for year	**(6,634)**	7	N.M.
Other comprehensive (loss)/ income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	**(44)**	26	N.M.
Items that will not be reclassified subsequently to profit or loss			
Effect of deferred tax on revaluation reserve	**57**	(30)	N.M.
Revaluation of leasehold property	**(334)**	178	N.M.
Other comprehensive (loss)/ income for the year, net of tax	(321)	174	N.M.
Total comprehensive (loss)/ income for the year	**(6,955)**	181	N.M.
(Loss)/ Profit attributable to:			
Owners of the Company	**(6,633)**	53	N.M.
Non-controlling interest	**(1)**	(46)	-98
	(6,634)	7	N.M.

1(a) (continued)

	Unaudited Financial Year Ended 31.01.19	Audited Financial Year Ended 31.01.18	Change % +/-
	S$'000	S$'000	
Total comprehensive (loss)/ income attributable to:			
Owners of the Company	**(6,954)**	227	N.M.
Non-controlling interest	**(1)**	(46)	-98
	(6,955)	181	N.M.

N.M.: Not Meaningful

Other than as presented and disclosed in the statement of comprehensive income, loss / profit before tax is arrived after charging/(crediting):

	Group		
	Unaudited Financial Year Ended 31.01.19 S$'000	Audited Financial Year Ended 31.01.18 S$'000	Change % +/-
Depreciation of property, plant and equipment	**427**	413	3
Impairment loss on property, plant and equipment	**655**	67	878
Property, plant and equipment written off	**104**	191	-46
Write-off of and allowance for inventories	**134**	31	332
Interest expense	**89**	54	65
License fee income	**-**	(414)	N.M.
Foreign exchange loss/ (gain)	**20**	(29)	N.M.

N.M.: Not Meaningful

1 (b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the period of the immediately preceding financial year

	Group		Company	
	Unaudited As at 31.01.19 S$'000	Audited As at 31.01.18 S$'000	Unaudited As at 31.01.19 S$'000	Audited As at 31.01.18 S$'000
		(restated)		
Assets				
Non-current assets				
Property, plant and equipment	**1,406**	2,465	**-**	-
Investment in subsidiary	**-**	-	**4,073**	13,366
Amount due from subsidiary	**-**	-	**570**	-
Other receivables	**892**	442	**-**	-
Deferred tax assets	**-**	117	**-**	-
	2,298	3,024	**4,643**	13,366
Current assets				
Inventories	**2,122**	3,198	**-**	-
Trade receivables	**58**	2,791	**-**	-
Other receivables	**2,851**	1,661	**23**	204
Cash and cash equivalents	**1,367**	5,094	**51**	3,420
	6,398	12,744	**74**	3,624
Total assets	**8,696**	15,768	**4,717**	16,990
Equity and liabilities				
Current liabilities				
Trade payables	**373**	253	**-**	-
Other payables and accruals	**187**	517	**115**	79
Provisions	**243**	279	**-**	-
Amount due to subsidiaries	**-**	-	**-**	8,162
Loans and borrowings	**3,400**	3,400	**-**	-
Finance Lease	**18**	16	**-**	-
	4,221	4,465	**115**	8,241
Net current assets / (liabilities)	**2,177**	8,279	**(41)**	(4,617)
Non-current liabilities				
Loans and borrowings	**9**	25	**-**	-
Provision for reinstatements	**228**	-	**-**	-
Deferred tax liabilities	**100**	231	**-**	-
	337	256	-	-
Total liabilities	**4,558**	4,721	**115**	8,241
Net assets	**4,138**	11,047	**4,602**	8,749
Share capital, reserves and non-controlling interest				
Share capital	**14,250**	14,250	**14,250**	14,250
Revaluation reserve	**390**	**667**	**-**	-
Foreign currency translation reserve / (deficit)	**(18)**	**26**	**-**	-
Accumulated losses	**(10,483)**	**(3,850)**	**(9,648)**	(5,501)
Equity attributable to owners of the Company	**4,139**	11,093	**4,602**	8,749
Non-controlling interests	**(1)**	**(46)**	**-**	**-**
Total equity	**4,138**	11,047	**4,602**	8,749
Total equity and liabilities	**8,696**	15,768	**4,717**	16,990

1(b)(ii) Aggregate amount of group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

	As at 31.01.19		As at 31.01.18	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Short-term bank borrowings	**3,400**	-	**3,400**	-
Finance lease liabilities	**18**	-	**16**	-
	3,418	-	**3,416**	-

(b) Amount repayable after one year

	As at 31.01.19		As at 31.01.18	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Finance lease liabilities	**9**	-	**25**	-

(c) Details of any collateral

Short-term bank borrowings were secured by:

(i) Legal mortgage over a subsidiary's leasehold property;

(ii) Corporate guarantee given by another subsidiary of the Company; and

(iii) Standby letter of credit issued by a financial institution in China that was supported by a company connected with the former Chairman and executive director of the Company.

Finance lease liabilities are secured by the lessors' title to the leased assets.

1(d) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	Unaudited Financial Year Ended 31 January 2019	**Audited Financial Year Ended 31 January 2018**
Operating activities:	**S$'000**	**S$'000**
(Loss)/ Profit before tax	**(6,634)**	122
Adjustments for:		
Depreciation expense	**426**	413
Impairment on property, plant and equipment	**655**	67
Impairment loss of associate	**1,058**	-
Loss on deemed disposal of subsidiary	**438**	-
Impairment loss on non-trade receivables	**768**	-
Share of results of associate	**422**	-
Property, plant and equipment written off	**104**	191
Write-off of and allowance for inventories	**134**	31
Interest expense	**89**	54
Interest income	**(19)**	(29)
Foreign exchange differences	**(9)**	26
Operating cash flows before changes in working capital	**(2,568)**	875
Trade and other receivables	**326**	(389)
Inventories	**942**	324
Provision for reinstatement	**(51)**	134
Trade and other payables	**(438)**	27
Cash flows (used in) from operations	**(1,789)**	971
Interest received	**19**	29
Interest paid	**(89)**	(54)
Income tax refunded (net)	**42**	-
Net cash flows (used in) from operating activities	**(1,817)**	946
Investing activities:		
Purchase of property, plant and equipment	**(895)**	(821)
Investment in associate	**(1,000)**	-
Proceeds from disposal of property, plant and equipment	**-**	1
Net cash flows used in investing activities	**(1,895)**	(820)
Financing activities:		
Repayment of interest-bearing loans and borrowings	**-**	(800)
Repayment of finance lease obligations	**(15)**	(16)
Net cash flows used in financing activities	**(15)**	(816)
Net decrease in cash and cash equivalents	**(3,727)**	(690)
Cash and cash equivalents at beginning of year	**5,094**	5,784
Cash and cash equivalents at end of financial year (Note A)	**1,367**	5,094

Note A:	**Group**	
Cash and Cash Equivalents	**31.01.19 Unaudited S$'000**	**31.01.18 Audited S$'000**
Cash and bank balances	**1,367**	2,467
Fixed deposit	**-**	2,627
Cash and cash equivalents	**1,367**	5,094

1(e)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Share capital	Foreign currency translation reserve	Retained earnings/ (Accumulated losses)	Revaluation reserve	Equity attributable to owners of the Company	Non-controlling interest	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 February 2017 (FRS Framework)	14,250	(3,950)	47	519	10,866	-	10,866
Cumulative effects of adopting SFRS(I)	-	3,950	(3,950)	-	-	-	-
Balance at 1 February 2017 (SFRS(I) framework)	14,250	-	(3,903)	519	10,866	-	10,866
Profit for the year	-	-	53	-	53	(46)	7
Other comprehensive income for the year	-	26	-	148	174	-	174
Total comprehensive income for the year	-	26	53	148	227	(46)	181
Balance at 31 January 2018	**14,250**	**26**	**(3,850)**	**667**	**11,093**	**(46)**	**11,047**
Balance at 1 February 2018 (FRS Framework)	14,250	(3,924)	100	667	11,093	(46)	11,047
Cumulative effects of adopting SFRS(I)	-	3,950	(3,950)	-	-	-	-
Balance at 1 February 2018 (SFRS(I) framework)	14,250	26	(3,850)	667	11,093	(46)	11,047
Loss for the year	-	-	(6,633)	-	(6,633)	(1)	(6,634)
Arising from deemed disposal of subsidiary	-	-	-	-	-	46	46
Other comprehensive income for the year	-	(44)	-	(277)	(321)	-	(321)
Total comprehensive income for the year	-	(44)	(6,633)	(277)	(6,954)	45	(6,909)
Balance at 31 January 2019	**14,250**	**(18)**	**(10,483)**	**390**	**4,139**	**(1)**	**4,138**

Company	Share capital	Accumulated losses	Total
	S$'000	S$'000	S$'000
Balance at 1 February 2017	14,250	(439)	13,811
Loss for the year, representing total comprehensive loss for the year	-	(5,062)	(5,062)
Balance at 31 January 2018	14,250	(5,501)	8,749
Balance at 1 February 2018	14,250	(5,501)	8,749
Loss for the year, representing total comprehensive loss for the year	-	(4,147)	(4,147)
Balance at 31 January 2019	**14,250**	**(9,648)**	**4,602**

1(f)(g) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Not applicable.

1(h)(a) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31.01.19	As at 31.01.18
Total number of shares	**29,999,993**	29,999,993

1(h)(b) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company does not have any treasury shares.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 January 2018 except as disclosed in paragraph 5.

5 If there are any changes in accounting policies and methods of computation, including any required by an accounting, what has changed, as well as the reasons for, and the effect of, the change

The Group adopted SFRS(I) on 1 February 2018. The financial statements for the period ended 31 January 2019 are the first set of financial statements the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 31 January 2018 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I) on 1 February 2018, the Group is required to apply all of the specific transition requirements in SFRS(I).

The adoption of new/revised SFRS(I)s and INT SFRS(I)s did not have any significant impact on the financial performance or position of the Group except for the following:

SFRS(I) 1

The Group has applied the transition requirements in SFRS(I) 1 with 1 February 2017 as the date of transition. SFRS(I) 1 generally requires that the Group applies SFRS(I) that are effective for the financial year ended 31 January 2019 on a retrospective basis, as if such accounting policy had always been applied, subject to the mandatory exceptions and optional exemptions in SFRS(I) 1. Except as described below, the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 did not have any significant impact on the financial statements.

Foreign currency translation reserve (FCTR)

The Group elected the optional exemption in SFRS(I) 1 to reset its cumulative FCTR to nil at the date of transition, and reclassified the cumulative FCTR of S$3,950,000 as at 1 February 2017 determined in accordance with FRS to the retained earnings.

By electing this optional exemption, the cumulative FCTR of the Group increased by S$3,950,000 and retained earnings decreased by the same amount as follows.

Group consolidated statement of financial position

	1 February 2017 Previously reported under FRS framework	Effect of adoption of SFRS(I) 1	1 February 2017 Restated and reported under SFRS(I) framework
	S$'000	S$'000	S$'000
Foreign currency translation reserve	(3,950)	3,950	-
Retained earnings / Accumulated losses	47	(3,950)	(3,903)

	1 February 2018 Previously reported under FRS framework	Effect of adoption of SFRS(I) 1	1 February 2018 Restated and reported under SFRS(I) framework
	S$'000	S$'000	S$'000
Foreign currency translation reserve	(3,924)	3,950	26
Retained earnings / Accumulated losses	100	(3,950)	(3,850)

6 Earnings/(loss) per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	Financial Year ended 31.01.19	**Financial Year ended 31.01.18**
(Loss)/ Earnings per share (in SGD cents)		
- Basic [(1)]	**(22.11)**	0.18
- Fully diluted [(2)]	**(22.11)**	0.18

[(1)] Basic loss/ earnings per share ("**EPS**") is calculated on the Group's profit for the period divided by the weighted average number of ordinary shares in issue during the reporting period of 29,999,993 shares (2018: 29,999,993 shares).

[(2)] As there are no dilutive potential ordinary shares issued and/or granted, the fully diluted EPS is the same as the basic EPS.

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) currently period reported on and (b) immediately preceding financial year

	Group		Company	
	As at 31.01.19 Cents	**As at 31.01.18 Cents**	**As at 31.01.19 Cents**	**As at 31.01.18 Cents**
Net assets backing per ordinary share based on existing issued share capital as at the end of the period	**13.79**	36.98	**15.34**	29.16

Net asset value per ordinary share was based on 29,999,993 (2018: 29,999,993) ordinary shares outstanding as at end of the reporting period.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the revenue, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets and liabilities of the group during current financial period reported on.

A) Performance Review

Revenue

The Group reported a decrease of $6.3 million or 42% in revenue from $14.9 million in FY2018 to $8.6 million in FY2019. The decrease was mainly attributable to: (i) a decrease of some $2.5 million in local retail sales revenue; and (ii) a decrease of about $3.8 million in wholesale revenue as there were some wholesale transactions made to an overseas customer (Global Biotech) amounting to $3.8 million in FY2018 but there was no such wholesale transaction in FY2019.

Other income

Other income decreased by $0.4 million or 76% from $0.5 million to $0.1 million in FY2019. The decrease was mainly due to the non-recognition of licence fee income during FY2019.

Marketing and distribution costs

Marketing and distribution costs decreased by $0.4 million or 6% from $6.6 million to $6.2 million in FY 2019. The decrease was mainly attributable to the closure of the Group's unprofitable retail outlets.

General and administrative and other operating expenses

These expenses increased by $0.2 million or 7% from $2.3 million to $2.5 million in FY 2019 due mainly to allowance for impairment loss made on property, plant and equipment.

Finance costs

Finance costs increased by $35,000 or 65% from $54,000 to $89,000 in FY2019, due mainly to higher borrowing costs incurred as a result of non-repayment of bank loans during FY2019.

Impairment losses on non-trade receivables

This item relates to the impairment losses provided against the net balances totalling $0.37 million owing from Global Biotech Medical (HK) and Caring Global Health Management in respect of licence fees for previous financial year, as well as the write-off of a non-refundable deposit of $0.4 million paid to Global Biotech for the purchase of Brainco Devices.

Investment in CFZ and related impairment and other losses

Camsing Healthcare (Fuzhou) Medical Instrument Co., Ltd ("**CFZ**") is owned and held by the Group (via Nature's Farm Pte Ltd) and Fuzhou Zhongxin Baokang Trading Co., Ltd ("**Fuzhou Zhongxin**") in the respective equity proportions of 51% and 49%. It was principally engaged in the distribution and trading of medical supplies and medical instruments to local hospitals as well as the provision of relevant storage and logistic services to healthcare industry in China. Each of the Group and Fuzhou Zhongxin had also nominated its representatives on the Board of CFZ ("**CFZ Board**").

The Group had made capital injections of S$1 million in each of FY2018 and FY2019, aggregating approximately S$2 million as of 31 January 2019.

As the Group's initial intention was to cause CFZ to be a subsidiary upon its incorporation in December 2017 (about 2 months before the close of FY2018), CFZ was thus considered and treated as a subsidiary of the Group and accordingly, the assets, liabilities and results (for about 2 months) of CFZ were consolidated in the Group's FY2018 financial statements. However, the facts and circumstances surrounding the operation of CFZ in FY2019 departed from such initial intention. Hence, in preparing the Group's FY2019 financial statements, the incumbent management has re-assessed the accounting classification of the Group's investment in CFZ as elucidated below.

During FY2019 (representing a full 12-month operations at CFZ), the significant relevant activities of CFZ were essentially and in substance undertaken and decided upon by Fuzhou Zhongxin (via one of its nominees - the General Manager of CFZ) without any substantive consultation with or involvement of the Group or the Group's representatives on the CFZ Board. The Group and/or its representatives also did not actively participate in the making of any operating and financial policies or decisions for CFZ.

In light of the above, the incumbent management is of the view that the Group did not have *de facto* control over CFZ during FY2019 for the purpose of SFRS(I) 10 notwithstanding that the Group has 51% equity interest in the latter. Hence, CFZ was not accounted for as a subsidiary of the Group in FY2019. To this end, management also assessed and concluded that the Group did not have any joint control over CFZ as there had been an absence of unanimous consent from both parties in making decisions on the significant relevant activities of CFZ. As such, CFZ was also not accounted for as a joint venture under SFRS(I) 11.

In the circumstances, management is of the view that CFZ would more likely be considered an associate as the Group was able to exercise significant influence over CFZ by virtue of its representation on the CFZ Board pursuant to SFRS(I) 1-28. Accordingly, the equity accounting method had been applied to recognise the Group's share of losses of CFZ for FY2019 amounting to S$0.42 million.

Given the reclassification of CFZ from a subsidiary to an associate, a loss on deemed disposal of S$0.44 million was recognised by the Group for FY2019.

After accounting for the share of losses incurred by CFZ and the loss on deemed disposal, the Group further recognised an impairment loss of S$1.1 million on the remaining carrying amount of its investment in CFZ for FY2019, having regard to the deteriorating operational performance and mismanagement of CFZ in subsequent financial years.

In spite of the foregoing, the incumbent management will continue to assess the appropriateness of the accounting classification of CFZ in respect of future financial years in due course.

(Loss)/ Profit before tax

Profit before tax decreased by $6.7 million from a profit of $0.1 million for FY2018 to a loss of $6.6 million for FY2019 due mainly to (i) a reduction in gross profit of $3.9 million, (ii) allowances for impairment loss made (including write-offs) in FY2019 against non-trade receivables of $0.8 million and against property, plant and equipment of $0.5 million as well as losses recognised in relation to the Group's investment in CFZ amounting to $1.9 million. These unfavourable effects were ameliorated by a reduction of $0.4 million in marketing and distribution costs.

B) Statement of Financial Position Review

Property, plant and equipment

The carrying amount of property, plant and equipment decreased by 43% from $2.5 million to $1.4 million as at 31 January 2019 due to the impairment loss on property, plant and equipment and depreciation charges during the year.

Trade receivables

The decrease in trade receivables was due largely to the collections received from a customer during FY2019.

Other receivables

Other receivables include an advance payment of $2.8 million made to an overseas supplier (Global Biotech) for purchase of Brainco Devices during FY2019. Subsequent to FY2019, a sum of $2.4 million was refunded by Global Biotech. The balance of $0.4 million was fully written off during FY2019.

Inventories

Inventories decreased to $2.1 million as at 31 January 2019, mainly due to lesser purchases for the FY2019 in line with lower sales demand.

Cash and cash equivalents

Please refer to the Statement of Cash Flows at paragraph 1(d) above for detail of changes in cash and cash equivalents.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, the issuer must explain any variance between the forecast or prospect statement and the actual results

Not applicable.

10 Commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group's business consists of distribution of health foods and supplements in Singapore. In order to pre-empt escalating Covid-19 infections in Singapore, the Government has since April 2020 implemented various degree of "circuit breakers" measures. The impacts of Covid-19 on the Singapore economy have been hard and the bulk of the retail industry, in particular, has been severely affected since people have been asked to exercise restraint in our social interactions, which greatly restricted face-to-face service in stores. People staying at home and not going out to the stores also made online purchasing spread widely among those who may have been reluctant to use it before (the "**New-Norm**").

While the global economic outlook remains increasingly unpredictable in light of the latest Omicron Covid-19 variant, the Group remains cautiously optimistic in our ability to continue to operate as a going concern. As previously announced, the Company has been making payments on its bank loans and has retired an indebtedness of approximately S$2.2 million owing by its subsidiary, Nature's Farm Pte Ltd in September 2021. Further to the aforementioned repayment, the Group's remaining bank loan amounting to approximately S$1 million as of the date of this announcement pertains to that of another subsidiary, William Jacks & Company (Singapore) Private Limited.

The Group will continue to persevere and intensify its efforts in optimizing its business operations amidst this challenging time as well as coming up with business plans and actions to address the New-Norm so as to turn around the business and create better shareholders' value. As previously announced, the Company had previously received a signed letter of intent from a potential investor's lawyers setting out the terms of their proposed investment into the Company. There is a clear interest on the part of the aforesaid investor to inject fresh funds into the Company so as to bolster and grow the existing business and operations of the Group. The Company is in the midst of negotiating with the investor on the terms of their investment and will update shareholders as and when there are any material updates to the same.

11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date Payable

Not applicable.

(d) Books Closure Date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended as the Company and/or the Group recorded net losses for the financial year under review.

13 Interested Person Transactions

During the financial period under review, the Group did not have a general mandate pursuant to Rule 920 of the SGX-ST Listing Manual. The Company wishes to highlight that it does not have any Interested Person Transactions exceeding $100,000 in aggregate value.[5]

[5] In arriving at the conclusion, the Board wishes to state for the record that it did not include the transactions with Caring Global Health Management (Beijing) Co., Ltd, Global Biotech Medical Inc., Limited, I-Nitra Consulting Limited as interested person transactions as RSM did not conclude these three companies as interested persons after their extensive investigation from April 2019 to September 2020. Please refer to the ES-SAR released by Company on 1 September 2021 via SGXNet.

PART II - Additional information required for full year announcement
(This is not applicable to Q1, Q2, Q3 or Half-year results)

14 Segmental revenue and results for business or geographical segments (of the group) in the form presented in the audited financial statements, with comparative information for the immediately preceding year

Business Segments	**Health Food Trade**		**Corporate**		**Consolidated**	
	31.01.19 S$'000	**31.01.18 S$'000**	**31.01.19 S$'000**	**31.01.18 S$'000**	**31.01.19 S$'000**	**31.01.18 S$'000**
Revenue:						
External customers	**8,585**	14,912	-	-	**8,585**	14,912
Results:						
Interest income	-	-	**18**	29	**18**	29
Depreciation and amortization	**426**	413	**-**	**-**	**426**	413
Impairment loss on property, plant and equipment	**655**	67	**-**	**-**	**655**	67
Other non-cash expenses	**615**	57	**-**	-	**615**	57
Profit/(Loss) before tax	**(6,362)**	367	**(272)**	(245)	**(6,634)**	122
Assets:						
Additions to non-current assets	**895**	821	**-**	**-**	**895**	821
Segment assets	**8,621**	12,231	**75**	3,537	**8,696**	15,768
Segment liabilities	**4,459**	4,490	**99**	231	**4,558**	4,721

	Revenue		**Non-current assets**	
	31.01.19 S$'000	**31.01.18 S$'000**	**31.01.19 S$'000**	**31.01.18 S$'000**
Singapore	**8,585**	11,113	**2,298**	2,763
Overseas	**-**	3,799	**-**	144
	8,585	14,912	**2,298**	2,907

15 A breakdown of sales

	Unaudited Financial Year Ended 31.01.19 S$'000	**Audited Financial Year Ended 31.01.18 S$'000**	Change % +/-
(a) Sales reported for first half year	**4,701**	6,655	-29
(b) Loss before tax reported for first half year	**(1,512)**	(423)	257
(c) Sales reported for second half year	**3,884**	8,257	-53
(d) (Loss)/ Profit before tax reported for second half year	**(5,122)**	545	N.M.

N.M – not meaningful

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable.

17 Report of persons occupying managerial positions who are related to a director, chief executive officer or substantial shareholder Pursuant to Rule 704 (13)

The Board confirms that, to the best of its knowledge, as of the date hereof, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a Director, Chief Executive Officer or Substantial Shareholder of the Company.

18 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

Pursuant to Rule 720(1) of the Listing Manual, the Company has procured undertakings from all its directors and executive officers.

BY ORDER OF THE BOARD

LIU HUI
Executive Director

4 December 2021