CAMSING HEALTHCARE

Camsing Healthcare Ltd (Formerly known as Jacks international Ltd)
Incorporated in the Republic of Singapore
Reg. No. : 197903888Z

ANNUAL REPORT 2019



CORPORATE PROFILE

Camsing Healthcare Limited ("Camsing Healthcare" or the "Company", and together with its subsidiaries, the "Group") was incorporated in Singapore on 19 December 1979, and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (stock code: BAC). The current principal activities of the Group are the distribution and retailing of health supplements and foods in Singapore.

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Nature's Farm Pte Ltd

Since its incorporation in 1982, Nature's Farm has established itself as a trusted and recognised name in quality imported health supplements, honey and health foods. Nature's Farm today operates 13 retail stores across major shopping malls in Singapore and is also accessible to consumers 24/7 via its e-store and presence in major e-commerce platforms such as Shopee, Qoo10 and Lazada.

In keeping with the Brand's commitment of curating the best quality health supplements from international leading health supplements and health foods manufacturers, Nature's Farm continues to maintain a strong focus in the area of new products development, working with only GMP certified manufacturers, such as Wakunaga Kyolic®, Dr. Ohhira's®, Twinlab®, Norwegian Fish Oil®, NOW®, Bluebonnet® in ensuring only supplements and health foods manufactured to the highest quality are presented in our retail platforms.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Liu Hui
(Executive Director)

Yeo Choon Tat
(Independent Non-Executive Director)

COMPANY SECRETARY

Lim Kok Meng

REGISTERED OFFICE

24 Raffles Pl, #20-03 Clifford Centre
Singapore 048621
Tel : (65) 6950 5335
Fax : (65) 6535 0680

REGISTRAR

M&C Services Private Limited
112 Robinson Road, #05-01
Singapore 068902
Tel : (65) 6227 6660
Fax : (65) 6225 1452

AUDITORS

Crowe Horwath First Trust LLP
9 Raffles Place
#19-20 Republic Plaza, Tower 2
Singapore 048619

Partner-in-charge:
Adeline Ng Cheah Chen
(appointed since financial year ended 31 January 2019)

GROUP PRINCIPAL BANKERS

(in alphabetical order)

DBS Bank Ltd
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited

STOCK EXCHANGE LISTING

Singapore Exchange Securities Trading Limited

Ms Liu Hui
(Executive Director)

Ms. Liu Hui was appointed as a Director on 19 November 2015. She is an accountant by training. She has years of experience in financial auditing and asset management. Ms. Liu Hui is currently Deputy General Manager at Beijing Zhiheng Internet Technology Private Limited Company. Ms. Liu holds an EMBA degree from HEC Business School.

Mr Yeo Choon Tat
(Independent Non-Executive Director)

Mr. Yeo Choon Tat was appointed as Independent Non-Executive Director of the Group on 22, June 2021. He is also the Chairman of Audit Committee.

Mr. Yeo is a finance professional with more than 35 years of regional experience in senior management roles for multinational corporations and local organisations across diverse industries, such as electronics manufacturing, venture capital investment, portfolio management, and managing turnaround operations in Hong Kong, China and Singapore.

His past principal appointments includes, inter alia, Vice President (Finance and Asia-Pacific Operations) at Creative Technology Ltd.; Senior Vice President (Head of Greater China Investment) at Vertex Management Pte. Ltd.; Chief Operating Officer at Jolimark Holdings Ltd., Hong Kong; Executive Director of ASA Holdings Ltd., Singapore; and Group Financial Controller of Intraco Limited.

Mr. Yeo is an accountancy graduate (B. Acc) of the University of Singapore. He is also a fellow member of the Institute of Singapore Chartered Accountants (FCA), CPA Australia (FCPA Australia) and ACCA U.K. (FCCA).

EXECUTIVE DIRECTOR'S STATEMENT AND REVIEW

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements for the financial year ended 31 January 2019 ("FY 2019"). We have made significant headway in sustaining the business, optimizing operations despite unprecedented challenges arising from the COVID-19 pandemic and ultimately realigning ourselves to better deliver sustainable value to shareholders.

The results for FY2019 were supposed to be released around March 2019 but were delayed due to several intervening events including the former auditor highlighting certain audit matters during the course of its audit for FY2019 ("FY2019 Audit") which triggered the appointment of a special auditor to embark on a special audit which lasted for about 1.5 years, sudden and significant changes to the board composition, the subsequent resignation of the former auditor without completing the FY2019 audit and the appointment of a new auditor to embark on the FY2019 Audit anew as well as adverse effects brought about by the COVID-19 pandemic.

While the special auditor had identified certain internal control lapses and some purported "round-trip" trading transactions (for which the special auditor did not find any conclusive evidence that they were indeed round-tripping), we are pleased to share that the Group was not involved in any allegations of fraud.

In relation to the board composition, the Board is currently in the process of appointing two new independent directors to fill the vacancies arising from the recent resignations subject to the approval of SGX Regco. On the operations front, we are exploring new avenues to better cater to our customers.

In view of the long lapse of time amounting to more than 2.5 years (since March 2019), and the disruptions engendered by changes in the board composition and the management team, coupled with the adverse effect brought about by the COVID-19 pandemic, the Management and Board of Directors have exercised significant and best judgments by taking a prudent and pragmatic approach with a reasonable dose of commercial reality and efficacy in preparing the FY2019 Financial Statements so as to facilitate the FY2019 Audit undertaken by the new auditor.

Financial Review

Revenue for the year amounted to S$8.4 million, a S$6.5 million or 44% difference from the S$14.9 million reported for FY2019. The lower result was largely attributable to a S$2.5 million decrease in local retail revenue and a S$3.8 million decrease in wholesale revenue. For the latter, there were 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.

Similarly, the Group's other income also decreased, due to the non-recognition of license fee income in FY2019. This resulted in a reduction of S$0.4 million or 75% from S$0.5 million in FY2018 to S$0.1 million in FY2019.

Meanwhile, marketing and distribution costs was 6% or S$0.4 million lower as we opted to shutter unprofitable retail outlets and allow for better redeployment of resources.

Administrative and other operating expenses rose by S$0.1 million or 4% from $2.3 million to $2.4 million in FY 2019 due mainly to allowance for impairment loss made on property, plant and equipment.

The Group's finance costs also increased, coming in at S$89,000, a 65% increase from $54,000 in FY2018 due to higher borrowing costs incurred as a result of non-repayment of bank loans during FY2019.

As a result of the aforementioned factors, the Group recorded a loss before tax of S$6.6 million for FY2019 as compared to the profit before tax of S$0.1 million in FY2018. The chasm was mainly due to unfavourable effects including a reduction in gross profit of S$3.9 million, 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 Camsing Healthcare (Fuzhou) Medical Instrument Co., Ltd ("CFZ") amounting to $1.9 million.

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.

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

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

The decrease in cash and cash equivalents is set out in the consolidated cash flow statement.

Risk management

The Board and Management noted the findings of the special auditor on certain lapses in internal controls and has since taken actions to rectify them. In addition, the Company has engaged the services of an external independent reviewer to look into these matters. The Company will provide shareholders with an update in due course.

Please also refer to the accompanying Report on Corporate Governance, Audited Financial Statements and Risk Assessment and Management section for FY2019 for relevant information on the Group's risk management policies and practices.

Outlook

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").

EXECUTIVE DIRECTOR'S STATEMENT AND REVIEW

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.

Acknowledgement

It has been a challenging and unprecedented time and we were able to forge ahead due to the hard work and support from our staff, business partners, vendors, financiers and other stakeholders. On the behalf of the Board of Directors, I would like to thank them for their contributions, and understanding, and also for the patience and faith of our shareholders. We look forward to charting the next phase of growth with our stakeholders.

GROUP FINANCIAL HIGHLIGHTS

Year Ended 31 January	2019 $'000	2018 $'000	Changes %
Results			
Revenue	**8,386**	14,912	-44
(Loss)/Profit before tax	**(6,571)**	122	NM
(Loss)/ Profit attributable to owners of the parent	**(6,570)**	53	NM
At Balance Sheet Date			
Shareholders' funds	**4,202**	11,093	-62
Total assets	**8,833**	15,768	-44
Per Ordinary Share			
(Loss)/Earnings per share (cents)	**(21.90)**	0.18	NM
Net tangible assets per share (cents)	**14.01**	36.98	-62
Financial Ratios			
Return on shareholders' funds (%)	**NM**	0.48	NM
Net debt-equity ratio	**0.68**	NM	-
Interest cover (times)	**NM**	3.18	NM

NM: not meaningful

GROUP FINANCIAL HIGHLIGHTS

Five-Year Group Financial Statistics

Year Ended 31 January	**2019 $'000**	2018 $'000	2017 $'000	2016 $'000	2015 $'000
Income Statement					
Revenue	**8,386**	14,912	18,235	14,131	15,787
Profit/(Loss) before tax	**(6,571)**	122	164	(2,197)	507
Income tax (expense)/credit	**-**	(115)	(3)	218	(69)
Profit/(Loss) for the year	**(6,571)**	7	161	(1,979)	438
Profit/(Loss) attributable to owners of the parent	**(6,570)**	53	161	(1,979)	438
Balance Sheet					
Property, plant and equipment	**1,406**	2,465	2,138	2,136	2,096
Other receivables - non-current	**892**	442	672	569	676
Net current assets	**2,240**	8,279	8,066	8,253	10,177
Long term investments	**-**	-	-	-	532
Deferred tax assets	**74**	117	209	241	98
Total assets employed	**4,612**	11,303	11,085	11,199	13,579
Shareholders' funds	**4,202**	11,093	10,866	10,613	13,136
Non-controlling interest	**(1)**	(46)	-	-	-
Other non-current liabilities	**237**	25	41	418	381
Deferred tax liabilities	**174**	231	178	168	62
Total funds invested	**4,612**	11,303	11,085	11,199	13,579
Per Ordinary Share					
Profit/(Loss) after tax attributable to owners of the parent (cents)	**(21.90)**	0.18	0.54	(6.60)	0.29
Net tangible assets (cents)	**14.01**	36.98	36.22	35.38	8.73
Gross dividend (cents)					
- Interim	**-**	-	-	-	0.3
- Final	**-**	-	-	-	0.2
Financial Ratios					
Return on shareholders' funds after non-controlling interest attributable to shareholders (%)	**NM**	0.48	1.48	(18.65)	3.33
Net debt-equity ratio	**0.68**	NM	0 : 1	0 : 1	0 : 1
Interest cover (times)	**NM**	3.18	2.25	(11.92)	4.55

NM: not meaningful

Camsing Healthcare Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") recognise the importance of and are committed to maintaining high standards of corporate governance in conformity with the revised Code of Corporate Governance 2012 (the "**Code**"). Unless otherwise disclosed below, the Company is in compliance with the requirements of the Code during the financial year ended 31 January 2019 ("**FY2019**").

On 6 August 2018, the Monetary Authority of Singapore issued a revised Code of Corporate Governance which aims to encourage board renewal, strengthen director independence and enhance board diversity, which will initially take effect for annual reports covering financial years commencing from 1 January 2019 (the "**2018 Code**"). The Company will review and set out corporate practices in place to comply with the 2018 Code, where appropriate, for its Annual Report for the financial year beginning 1 February 2019.

1. BOARD MATTERS

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 management to achieve this objective and management remains accountable to the board.

The Board of Directors (the "**Board**") recognises its duties and responsibilities to shareholders of the Company (the "**Shareholders**") which principally include the following:

(a) reviewing and adopting a strategic plan for the Company and the Group;

(b) overseeing the overall conduct of the Company's business and that of the Group;

(c) identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;

(d) reviewing the adequacy and integrity of internal controls systems and management information systems in the Company and within the Group;

(e) developing and implementing a sound communications policy for investor relations; and

(f) succession planning, including appointing and determining compensation of senior management.

The Board has adopted internal guidelines specifying matters reserved for approval by the Board. The management of the Company ("**Management**") is given clear directions on matters (including setting thresholds for certain operational matters relating to the Company's subsidiaries) that require the Board's approval. Certain material matters that require the Board's approval are as follows:

(a) setting of strategic direction or policies or financial objectives which have or may have a material impact on the profitability or performance of the Group;

(b) decisions to commence, discontinue or modify significantly any business activity or to enter or withdraw from a particular market sector, corporate or financial restructuring;

(c) decisions over new borrowings exceeding S$2.5 million or significant amendments to the terms and conditions of existing borrowings other than in the ordinary course of business;

(d) material acquisitions and disposal of assets;

(e) all corporate actions for which shareholder approval is required; and

(f) any other matters which require the Board's approval as prescribed under the relevant legislation and regulations as well as the Company's Constitution.

The Board meets on a regular basis as and when necessary to discharge their duties. The Company's Constitution allows for tele-conference and video-conference meetings to facilitate participation by Board members and Management.

1. BOARD MATTERS (cont'd)

1.1 The Board's Conduct of Affairs

To further assist in the execution of its responsibilities, the Board has established three (3) board committees, namely the Audit Committee (the "**AC**"), the Nominating Committee (the "**NC**") and the Remuneration Committee (the "**RC**") (collectively, the "**Board Committees**"). These Board Committees operate within clearly defined terms of reference and operating procedures which are reviewed on a regular basis. The effectiveness of each Board Committee is also constantly monitored. Minutes of all Board Committee meetings are circulated to the Board so that the Directors are aware of and kept updated to the proceedings and matters discussed during such meetings.

The number of meetings held by the Board and Board Committees and the attendance of each Director during FY2019 are summarised in the table below:

Name of Director	Board No. of meetings		AC No. of meetings		RC No. of meetings		NC No. of meetings	
	Held[#]	Attended	Held[#]	Attended	Held[#]	Attended	Held[#]	Attended
Lo Ching	2	2^	2	2^	1	1^	1	1^
Liu Hui	2	2^	2	2^	1	1^	1	1^
Lau Chin Hock Kenneth Raphael	2	2	2	2	1	1	1	1
Maurice Tan Huck Liang	2	2	2	2	1	1	1	1
Ong Wei Jin	2	2	2	2	1	1	1	1

Notes:

[#] *The number of meetings indicated "Held" above reflects the number of meetings held during the time the respective Directors held office.*

^ *Attendance by invitation.*

The number of meetings held by the Board and Board Committees and the attendance of each Director from the period starting 1 February 2019 to the date of this Report are summarised in the table below:

Name of Director	Board No. of meetings		AC No. of meetings		RC No. of meetings		NC No. of meetings	
	Held[#]	Attended	Held[#]	Attended	Held[#]	Attended	Held[#]	Attended
Lo Ching[(1)]	3	0	1	0	0	–	0	–
Liu Hui	8	6	4	2^	0	–	1	1^
Lau Chin Hock Kenneth Raphael[(2)]	2	2	1	1	0	–	0	–
Maurice Tan Huck Liang[(2)]	2	2	1	1	0	–	0	–
Ong Wei Jin[(2)]	2	2	1	1	0	–	0	–
Patel Anand Rameshchandra[(3)]	3	3	1	1	0	–	1	1
Tay Chiew Sheng[(4)]	3	3	1	1	0	–	1	1
Lim Heng Huat[(4)]	3	3	1	1	0	–	1	1
Zhang Zhen[(5)]	1	1	0	–	0	–	0	–
Tan Chade Phang[(6)]	1	1	1	1	0	–	2	2
Koh Boon Chiao[(7)]	1	1	1	1	0	–	2	2
Yeo Choon Tat[(8)]	2	2	2	2	0	–	2	2

1. BOARD MATTERS (cont'd)

1.1 The Board's Conduct of Affairs (cont'd)

Notes:

[#] *The number of meetings indicated "Held" above reflects the number of meetings held during the time the respective Directors held office.*

[^] *Attendance by invitation.*

(1) Ms. Lo Ching resigned as Executive Director of the Company on 23 March 2021.

(2) Mr. Lau Chin Hock Kenneth Raphael, Mr. Maurice Tan Huck Liang and Mr. Ong Wei Jin resigned as Independent Directors of the Company on 20 March 2019.

(3) Mr. Patel Anand Rameshchandra was appointed as an Independent Director of the Company on 21 March 2019 and resigned as Independent Director of the Company on 22 March 2021.

(4) Mr. Tay Chiew Sheng and Mr. Lim Heng Huat were appointed as Independent Directors of the Company on 21 March 2019 and resigned as Independent Directors of the Company on 19 March 2021.

(5) Mr. Zhang Zhen was appointed as a Non-Executive Director of the Company on 1 October 2019 and resigned as Non-Executive Director of the Company on 30 June 2020.

(6) Mr. Tan Chade Phang was appointed as an Independent Director of the Company on 23 March 2021 and resigned as Independent Director of the Company on 15 September 2021.

(7) Mr. Koh Boon Chiao was appointed as an Independent Director of the Company on 29 March 2021 and resigned as Independent Director of the Company on 15 September 2021.

(8) Mr. Yeo Choon Tat was appointed as an Independent Director of the Company on 22 June 2021.

The Executive Director updates the Board at each Board meeting on business and strategic developments. The Management also highlights salient issues as well as risk management considerations for the industry the Group is in. All Directors will be given continuous and ongoing training programmes by attending courses, seminars and talks. The Directors attend courses, briefings and seminars, relating to risk management, corporate governance, investors relations and reporting requirements in relation to financial statements.

Newly appointed Directors will be briefed on the Group's businesses and corporate governance policies. Familiarisation visits have been organised, if necessary, to facilitate a better understanding of the Group's operations. The Company informs Board members from time to time of changes in relevant regulatory and accounting standards requirements.

The Company is responsible for arranging and funding the training of Directors. Board members are encouraged to attend seminars and receive training to improve themselves in the discharge of their duties as Directors. The Company will work closely with professionals to provide Board members with updates on changes to relevant laws, regulations and accounting standards.

1. BOARD MATTERS (cont'd)

1.2 Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment 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.

At the end of FY2019, the Board comprises five (5) Directors, of whom three (3) are Independent Directors. The composition of the Board as at the end of FY2019 is set out below:

Executive Directors

Lo Ching	-	Executive Chairman
Liu Hui	-	Executive Director

Non-Executive Directors

Lau Chin Hock Kenneth Raphael	-	Lead Independent Non-Executive Director
Maurice Tan Huck Liang	-	Independent Non-Executive Director
Ong Wei Jin	-	Independent Non-Executive Director

At the date of this Report, the Board comprises two (2) Directors, of whom one (1) is Independent Director. The composition of the Board as at the date of this Report is set out below:

Executive Directors

Liu Hui	-	Executive Director

Non-Executive Directors

Yeo Choon Tat	-	Independent Non-Executive Director

The Board constantly reviews its size and is of the view that the current Board size is appropriate to facilitate effective decision-making and will bring independent judgment, taking into account the scope and nature of the operations of the Company and the Group. The Board wishes to highlight that the Company is actively sourcing for suitable candidates to be appointed as Non-Executive and/or Independent Directors to comply with the requirements of the 2018 Code in relation to the composition of the Board and Board Committees.

Pursuant to a Notice of Compliance dated 17 December 2019 issued by the Singapore Exchange Regulation ("**SGX RegCo**") (the "**17 Dec NOC**"), the Company is required by SGX RegCo to obtain the prior approval of the SGX-ST for the appointment of a Director or an executive officer for a period not exceeding three (3) years from 17 December 2019.

Pursuant to another Notice of Compliance dated 23 September 2021 issued by SGX RegCo (the "**23 Sep NOC**"), SGX RegCo highlighted that the Company is required to appoint two independent directors by 15 December 2021 as a consequence of the resignation of two former independent directors on 15 September 2021. The Company has identified two candidates to be appointed as Independent Directors and have submitted such proposed appointments to the SGX RegCo for review and prior approval on 24 November 2021, in accordance with the requirements of the 17 Dec NOC. As of the date of this Report, SGX RegCo has yet to approve the appointment of the two potential candidates as Independent Directors of the Company.

The criterion for independence is based on the definition set out in the Code. The Code defines an Independent Director as one who has no relationship with the company, its related corporations, its 10% shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the company. The independence of each Director is reviewed annually by the NC in accordance with the definition of independence in the Code.

1. BOARD MATTERS (cont'd)

1.2 Board Composition and Guidance (cont'd)

Mr. Yeo Choon Tat has confirmed his independence in accordance with the definition of independence in the Code. As the NC now comprises only Mr. Yeo Choon Tat, he is of the view that it would not be meaningful for him to assess his own independence. Accordingly, he has requested for the Board to assess his independence. The Board, following its review, is of the view that he is independent in accordance with the definition of independence in the Code.

The Company currently has no Independent Director who has served on the Board beyond nine (9) years.

The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Directors, with their different backgrounds and specialisation, collectively bring with them a wide range of experience and expertise in the aspect of economics, accounting and general business management. The current composition of the Board also provides a diversity of genders, with one female Director, namely Ms. Liu Hui, in addition to Mr. Yeo Choon Tat.

The Non-Executive Directors provide oversight on Management performance by constructively challenging and helping to develop proposals on strategy. They monitor and review the reporting and performance of Management in meeting agreed goals and objectives. The Non-Executive Directors meet on their own as warranted without the presence of Management.

Key information regarding the Directors in office at the date of this Report, including their listed company board representations and other principal commitments, is set out below:

Name of Director	Date of initial appointment	Date of last re-lection	Current directorships in listed companies	Past directorships in listed companies (in last three years
Liu Hui	19 November 2015	28 May 2018	Nil	Nil
Yeo Choon Tat	22 June 2021	Not applicable	Nil	Nil

1.3 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 Board does not have a Chairman currently. This is because Mr. Yeo Choon Tat is the only Independent Director while Ms. Liu Hui is the Executive Director. In the interim, Mr Yeo Choon Tat typically chairs meetings of the Board and takes on the functions of Chairman of the Board. As Chairman of the Board, he bears primary responsibility for the workings of the Board, by ensuring effectiveness on all aspects of its role including setting agenda for Board meetings with input from Management, ensuring that sufficient time is allocated for discussion of agenda items at Board meetings, promoting an open environment at Board meetings for constructive debate, encouraging all Directors to speak freely, and exercising control over the quality, quantity and timeliness of information flow between the Board and Management. At annual general meetings and other Shareholders' meetings, he plays a pivotal role in fostering constructive dialogue between Shareholders, the Board and Management. The Board will formally appoint a Chairman of the Board once two additional Independent Directors have been appointed.

The Company does not currently have a Chief Executive Officer. The Executive Director, Ms. Liu Hui, is responsible for developing and directing organizational strategy as well as overseeing day-to-day business and corporate activities. All major decisions made by the Executive Director are to be endorsed by the Board. Her performance is reviewed periodically by the NC and remuneration package is also reviewed periodically by the RC.

Mr. Yeo Choon Tat, being an Independent Director who takes on the function of the Chairman of the Board, and the Executive Director are separate persons and are not related to each other. As such, there is a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Group's business.

1. BOARD MATTERS (cont'd)

1.4 Board Membership

The current Independent Director of the Company, Mr. Yeo Choon Tat, was appointed on 22 June 2021. He is presently the Chairman of the Audit Committee, the Nominating Committee and the Remuneration Committee. The Independent Director is available to shareholders where they have concerns and for which contact through the normal channels of the Executive Director or Management has failed to resolve or is inappropriate. Independent Directors meet periodically without the presence of the other directors, and feedback is provided to the Board after such meetings.

The Company is actively sourcing for suitable candidates to be appointed as Non-Executive and/or Independent Directors to comply with the requirements of the 2018 Code in relation to the composition of the Board and Board Committees.

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

The NC currently comprises Mr. Yeo Choon Tat (Chairman), who is an Independent Non-Executive Director. The Company is taking active steps to source for suitable candidates to be appointed as Non-Executive and/or Independent Directors, so that the NC will comprise at least three Directors, the majority of whom, including the NC Chairman, are independent. As disclosed above, the Company has submitted the details of two candidates to be appointed as Independent Directors to the SGX-ST for review and prior approval on 24 November 2021.

The NC functions under a set of written terms of reference which sets out its responsibilities as follows:

(a) to make recommendations to the Board on all Board appointments and re-nominations, having regard to the Director's contribution and performance (for example, attendance, preparedness, participation and candour) including as an Independent Director;

(b) to determine on an annual basis whether or not a Director is independent;

(c) to decide whether a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when the Director has multiple board representations;

(d) to ensure that all Directors submit themselves for re-nomination and re-election at regular intervals;

(e) to assess the effectiveness of the Board as a whole and its Board Committees, and the contribution by each individual Director to the effectiveness of the Board;

(f) to review the board succession plans for Directors; and

(g) to review the training and professional development programmes for the Board.

There is a formal and transparent process for the appointment of new Directors to the Board. The NC reviews and recommends all new Board appointments and also the re-nomination and re-appointment of Directors to the Board. The NC ensures that Directors appointed to the Board possess the background, experience and knowledge in technology, business, legal, finance and management skills critical to the Company's business and that each Director contributes and brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made. In the nomination and selection process of a new director, the NC will also take into consideration the current Board size and its composition, including the mix of expertise, skills and attributes of the Directors, and determine if the candidate's background, experience and knowledge will bolster the core competencies of the Board.

The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Articles 90 and 91 of the Company's Constitution provide that one-third of the Board, or the number nearest to one-third, shall retire by rotation at every AGM. In addition, Article 96 of the Company's Constitution provides that new Directors appointed during the year either to fill a casual vacancy or as an additional Director shall retire but shall be eligible for re-election at the following general meeting of the Company. Ms. Liu Hui is retiring at the forthcoming AGM in accordance with Articles 90 and 91, and Mr. Yeo Choon Tat is retiring at the forthcoming AGM in accordance with Article 96.

1. BOARD MATTERS (cont'd)

1.4 Board Membership (cont'd)

Being eligible, Ms. Liu Hui and Mr. Yeo Choon Tat have offered themselves for re-election. The NC, with Mr. Yeo Choon Tat as its sole member, has recommended the re-election of Ms. Liu Hui to the Board. In making the recommendation, the NC has considered the overall contribution and performance of Ms. Liu Hui. The NC, with Mr. Yeo Choon Tat as its sole member, has abstained from making a recommendation pertaining to the re-election of Mr. Yeo Choon Tat. The Board has recommended the re-election of Mr. Yeo Choon Tat. For the avoidance of doubt, Mr. Yeo Choon Tat has abstained from the NC's recommendation pertaining to his re-election.

The NC reviews the contribution by each Director taking into account their listed company board representations and other principal commitments. The Board has set the maximum number of five (5) listed company board representations (or such other number as approved by the NC from time to time) which any Director of the Company may hold at any one time. All Directors have complied with this requirement.

Pursuant to the 17 Dec NOC, the Company is required by SGX RegCo to obtain the prior approval of the SGX-ST for the appointment of a Director or an executive officer for a period not exceeding three (3) years from 17 December 2019.

Principle 5: There should be a formal 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 will perform an evaluation of the overall effectiveness of the Board and the Board Committees annually. The evaluation process will be undertaken as an internal exercise and involves Board members completing an evaluation form covering areas relating to a number of factors, including the discharge of the Board functions, access to information, participation at Board meetings and communication and guidance given by the Board to the Management.

Each Director assesses the Board's performance as a whole and provides feedback to the NC. A similar evaluation process is also conducted by each of the Board Committees wherein the Board Committee members evaluate the relevant Board Committee and provide feedback to the NC. In reviewing the Board's effectiveness as a whole and the Board Committees, the NC will take into account the feedback from the Board and the Board Committee members as well as the Director's individual skills and experience. The results of the evaluation exercise will be considered by the NC, and a summary report will be compiled, with a view to implementing recommendations to enhance the effectiveness of the Board.

1.5 Board Performance

The contribution of each Director to the effectiveness of the Board and Board Committee is assessed on an individual basis and reviewed by the NC. In assessing an individual Director's and Board Committee's performance, factors that are to be taken into consideration include attendance at Board meetings and related activities, the adequacy of preparation for board meetings, contributions in specialist areas, generation of constructive ideas, and maintenance of independence.

The NC, having reviewed the overall performance of the Board and the Board Committees in terms of its roles and responsibilities and the conduct of its affairs as a whole and each individual Director's performance, is of the view that the performance of the Board and each individual Director has been satisfactory. The NC, with Mr. Yeo Choon Tat as its sole member, has abstained from voting on any resolution and making any recommendations and/or participating in any deliberation in respect of the performance of Mr. Yeo Choon Tat or his re-nomination as a Director. Each member of the NC has abstained from voting on any resolution and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his performance or re-nomination as a Director. During FY2019, no external facilitators were used for the evaluation process.

1. BOARD MATTERS (cont'd)

1.6 Access to Information

Principle 6: In order to fulfil 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 Company recognises the importance of continual dissemination of relevant information which is explicit, accurate, timely and vital to the Board in carrying out its duties. The Management reports to the Board the Company's progress and drawbacks in meeting its strategic business objectives or financial targets and other information relevant to the strategic issues encountered by the Company in a timely and accurate manner to enable the Directors to be cognizant of the decisions and actions of the executive management. Types of information provided by Management to the Independent and Non-Executive Directors include management accounts, internal income statement forecasts, external auditors' reports, internal audit reports and periodic updates on the Group's operations. The Company endeavours to provide the Board with the management accounts of the Group's performance and position on a quarterly basis.

The Directors have unrestricted access to records and information of the Group, and have separate and independent access to the Company Secretary, the Company's external auditors and senior management of the Group at all times in carrying out their functions. The Company Secretary attends or is represented at all meetings of the Board and Board Committees, ensures a good flow of information within the Board and between the Management and Non-Executive Directors, attends to corporate secretariat administration matters, and ensures that Board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is subject to the approval of the Board.

Changes to regulations are closely monitored by Management and the Directors are briefed during the Board meetings on changes which have an important bearing on the Company or the Directors' disclosure obligations.

The Directors and the Chairman of each respective Board Committee have the right to seek and obtain independent professional advice as and when necessary, at the expense of the Company, in furtherance of their duties and responsibilities as directors.

2. REMUNERATION MATTERS

2.1 Procedures for Developing Remuneration Policies

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 own remuneration.

The RC currently comprises Mr. Yeo Choon Tat (Chairman), who is an Independent Non-Executive Director. The Company is taking active steps to source for suitable candidates to be appointed as Non-Executive Directors and/or Independent Directors, so that the RC will comprise at least three Directors, all of whom are Non-Executive and the majority of whom, including the RC Chairman, are independent. As disclosed above, the Company has submitted the details of two candidates to be appointed as Independent Directors to the SGX-ST for review and prior approval on 24 November 2021.

The RC functions under a set of written terms of reference which sets out its responsibilities as follows:

(a) To review and recommend for endorsement to the entire Board, a framework for remuneration for the Directors and key management personnel of the Company;

(b) To review the remuneration packages for each Executive Director as well as for key management personnel. The RC's recommendations are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives, awards and benefits in kind are covered by the RC. As part of its review, the RC takes into consideration that the remuneration packages are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and level of responsibility;

2. REMUNERATION MATTERS (cont'd)

2.1 Procedures for Developing Remuneration Policies (cont'd)

(c) In the case of service contracts, reviewing the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses; and

(d) To carry out such other duties as may be agreed to by the RC and the Board.

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and benefits in kind, will be reviewed by the RC. The recommendations of the RC will be submitted to the Board for endorsement. Each member of the RC will abstain from voting on any resolution and making any recommendations in respect of his remuneration package. The overriding principle is that no Director should be involved in deciding his own remuneration. The RC, with Mr. Yeo Choon Tat as its sole member, has abstained from making a recommendation pertaining to the Directors' fees to be paid to Mr. Yeo Choon Tat. The Board has recommended the Directors' fees to be paid to Mr. Yeo Choon Tat for approval by shareholders. For the avoidance of doubt, Mr. Yeo Choon Tat has abstained from the RC's recommendation pertaining to his Directors' fees.

The RC may from time to time, and where necessary or required, engage independent external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management and ensure that existing relationships, if any, between the Company and its appointed consultants will not affect the independence and objectivity of the consultants.

The RC will meet to consider and review the remuneration packages of the Directors and key management personnel, including those employees related to the Executive Directors and controlling shareholders of the Company. No remuneration consultants were engaged by the Company in FY2019.

2.2 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, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors and key management personnel.

The Independent Directors and Non-Executive Directors of the Company do not have service agreements. They receive Directors' fees, which take into account their contribution and other factors such as effort, time spent and responsibilities. The RC recognises the need to pay competitive fees to attract, motivate and retain such Independent Directors and Non-Executive Directors, yet not over-compensate them to the extent that their independence may be compromised. Directors' fees are recommended by the Board for approval by the Shareholders at the Company's AGM.

The Company's compensation framework comprises fixed pay and short-term and long-term incentives. The Company subscribes to linking executive remuneration to corporate and individual performance, based on an annual appraisal of employees and using indicators such as core values, competencies, key result areas, performance rating, and potential of employees.

2. REMUNERATION MATTERS (cont'd)

2.3 Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to its directors and key management personnel, and performance.

Details of remuneration of Directors

Proposed Directors' Fees for FY2019

A breakdown of remuneration paid to each Director for FY2019 is as follows:

	Fees (%)	Salary (%)	Bonus (%)	Total (%)	Fees for FY2019[3] S$)
Directors					
Lo Ching[1]	–	–	–	–	–
Liu Hui	–	–	–	–	–
Lau Chin Hock Kenneth Raphael[2]	100	–	–	100	20,676[3]
Maurice Tan Huck Liang[2]	100	–	–	100	20,676[3]
Ong Wei Jin[2]	100	–	–	100	20,676[3]

Notes:

(1) Ms. Lo Ching resigned as Executive Director of the Company on 23 March 2021.

(2) Mr. Lau Chin Hock Kenneth Raphael, Mr. Maurice Tan Huck Liang and Mr. Ong Wei Jin resigned as Independent Directors of the Company on 20 March 2019.

(3) The payment of Directors' fees is subject to the approval of shareholders at the forthcoming Annual General Meeting. As these former Independent Directors had already been paid the total sum of S$62,028 (S$20,676 each) in advance of the forthcoming Annual General Meeting, the Company is now seeking its shareholders' approval of the same.

Proposed Directors' Fees for FY2020

A breakdown of remuneration paid to or accrued to each Director for the financial year ended 31 January 2020 ("**FY2020**") is as follows:

	Fees (%)	Salary (%)	Bonus (%)	Total (%)	Fees for FY2020[5] (S$)
Directors					
Lo Ching[1]	–	–	–	–	–
Liu Hui	–	–	–	–	–
Tay Chiew Sheng[2]	100	–	–	100	41,290[4]
Lim Heng Huat[2]	100	–	–	100	20,645[4]
Patel Anand Rameshchandra[2]	100	–	–	100	20,645[4]
Zhang Zhen[3]	–	–	–	–	–

Notes:

(1) Ms. Lo Ching resigned as Executive Director of the Company on 23 March 2021.

(2) Mr. Tay Chiew Sheng, Mr. Lim Heng Huat and Mr. Patel Anand Rameshchandra were appointed as Independent Directors of the Company on 21 March 2019.

2. REMUNERATION MATTERS (cont'd)

2.3 Disclosure on Remuneration (cont'd)

(3) Mr. Zhang Zhen was appointed as a Non-Executive Director of the Company on 1 October 2019.

(4) Rounded to last dollar. The payment of Directors' fees is subject to the approval of shareholders at forthcoming Annual General Meeting. The Company has estimated the total sum of S$82,581 based on the actual monthly payments made by the former management to these former Independent Directors. The incumbent management and Directors are making this proposal in good faith as there is no other documentary evidence or records supporting the amount of Director's fees attributable to each of these former Independent Directors. Of the proposed sum of S$82,581, these former Independent Directors had already been paid the total sum of S$58,581 in advance of the forthcoming Annual General Meeting. As such, the Company is now seeking its shareholders' approval of the same.

Details of remuneration of top key management personnel

The breakdown of remuneration paid to or accrued to the top key management personnel of the Group (who are not Directors or the CEO) for FY2019 is as follows:

Remuneration band and name of key management personnel	Salary (%)	Bonus (%)	Other benefits (%)	Total (%)
Below S$250,000				
Hua Min[1]	100	–	–	100
Wang Yu[2]	100	–	–	100
Phoon Kong Foo[3]	100	–	–	100
Toh Seah Chain[4]	100	–	–	100
Lee Ren Kiat[5]	100	–	–	100

Notes:

(1) Mr Hua Min was suspended from his duties as Chief Executive Officer of the Company's subsidiary, Nature's Farm Pte Ltd, with effect from 29 October 2019. He also ceased as Chief Executive Officer of the Company's subsidiary, Nature's Farm Pte Ltd, with effect from 29 October 2019.

(2) Ms Wang Yu ceased as Chief Operating Officer of the Company's subsidiary, Nature's Farm Pte Ltd, with effect from 14 August 2019.

(3) Mr Phoon Kong Foo resigned as Finance and Admin Manager of the Company's subsidiary, Nature's Farm Pte Ltd, with effect from 13 July 2018.

(4) Mr Toh Seah Chain resigned as Finance and Admin Manager of the Company's subsidiary, Nature's Farm Pte Ltd, with effect from 10 December 2018.

(5) Mr Lee Ren Kiat resigned as Finance and Admin Manager of the Company's subsidiary, Nature's Farm Pte Ltd, with effect from 11 November 2019.

The aggregate remuneration paid to the top key management personnel of the Group (who are not Directors or the CEO) for FY2019 was approximately S$315,000.

Details of remuneration of employees who are immediate family members of a Director

The Group does not have any employees who are immediate family members of any Director, whose remuneration exceeded S$50,000 for FY2019.

3. ACCOUNTABILITY AND AUDIT

3.1 Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is accountable to the Shareholders and aims to provide Shareholders with a balanced and understandable assessment of the Group's performance, position and prospects by furnishing timely information and ensuring full disclosure of material information to Shareholders in compliance with statutory requirements and the listing manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Management is responsible to the Board and the Board itself is accountable to the Shareholders.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports will also be announced or issued within legally prescribed periods.

3.2 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' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board recognises the importance of sound internal controls and risk management practices to good corporate governance and the need to put in place a system of internal controls within the Group to safeguard Shareholders' interests and the Group's assets, and to manage risks. The Board affirms its overall responsibility for the Group's system of internal controls and risk management. In this regard, the Board:

(a) ensures that Management maintains a sound system of risk management to safeguard Shareholders' interest and the Group's assets;

(b) determines the nature and extend of significant risks that the Board is willing to take in achieving its strategic objective;

(c) determines the Company's levels of risk tolerance and risk policies;

(d) oversees Management in the design, implementation and monitoring of risk management and internal control systems (including financial, operational and compliance risk), and ensures that the necessary corrective actions are taken on a timely basis; and

(e) reviews annually the adequacy and effectiveness of the risk management policies and systems, and key internal controls.

There are formal procedures in place for the Company's external auditors to report on the internal controls and risk management and to make recommendations to Management and to the AC independently in this regard.

The Board reviews the effectiveness of the Group's material internal controls, including financial, operational, information technology and compliance controls and risk management. In this respect, the AC reviews the audit plans, and the findings of the Company's external auditors and will ensure that the Company follows up on the auditors' recommendations raised, if any, during the audit process. The key management personnel also regularly evaluates, monitors and reports to the AC on material risks.

The Company refers to the Notice of Compliance issued by SGX RegCo dated 1 September 2020 (the "**1 Sep NOC**"). In the 1 Sep NOC, SGX RegCo noted, inter alia, that the Company's special auditors, RSM Corporate Advisory Pte Ltd ("**RSM**") had recommended in its special audit report that as numerous internal control lapses and compliance issues that surfaced during their review, the Board and AC should re-assess the adequacy and effectiveness of the internal audit function, and consider the need to entrust the internal audit function to external professionals.

3. ACCOUNTABILITY AND AUDIT (cont'd)

3.2 Risk Management and Internal Controls (cont'd)

In light of the foregoing, SGX RegCo directed the Company in the 1 Sep NOC to, inter alia, appoint an independent firm to undertake an independent review of the Company's internal controls and governance practices so as to address and implement the recommendations made by RSM (the "**Independent Review**").

On 22 January 2021, the Company released an announcement via SGXNET, informing Shareholders that it had on 13 January 2021 appointed an independent reviewer from a big four accounting firm to conduct the Independent Review. The Independent Review remains ongoing as at the date of this Report due to the unanticipated changes in the composition of the Board and Management over the course of calendar year 2021. The Company is hopeful that with the addition of Mr. Yeo Choon Tat as an Independent Director on 22 June 2021, and with the proposed appointment of two additional Independent Directors, the Company would be able to progress the Independent Review under the leadership of the renewed Board at a quicker pace.

For FY2019, the Board has received assurance from the Executive Director, Ms. Liu Hui, and the Company's finance manager, Carol Ng Lee Wah that: (i) the financial records have been properly maintained and that the financial statements gave a true and fair view of the Company and the Group's operations and finances; and (ii) the Company and the Group have put in place and will continue to maintain an effective, reliable and sound system of risk management, internal controls (addressing financial, operational, information technology and compliance risks) and corporate governance.

The Board wishes to highlight that RSM, the special auditors by the Company, had identified certain internal control lapses and compliance issues in their report. In order to address these internal control lapses and compliance issues, the Company has engaged an independent reviewer from a big four accounting firm on 13 January 2021 to conduct the Independent Review, and to advise on the steps needed to rectify these internal control lapses and compliance issues.

Based on the Company's rectification actions pursuant to the Independent Review and based on strengthened internal controls maintained by the Group and work performed by the Group's external auditors, the Board and the various Board Committees, the Board, with the concurrence of the AC, is satisfied and is of the opinion that the Group's system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems will be adequate and effective moving forward.

3.3 Audit Committee

Principle 12: The Board should establish an Audit Committee with written term of reference which clearly set out its authorities and duties.

The AC currently comprises Mr. Yeo Choon Tat (Chairman), who is an Independent Non-Executive Director. The Company is taking active steps to source for suitable candidates to be appointed as Non-Executive Directors and/or Independent Directors, so that the AC will comprise at least three Directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. As disclosed above, the Company has submitted the details of two candidates to be appointed as Independent Directors to the SGX-ST for review and prior approval on 24 November 2021.

The AC functions under a set of written terms of reference which sets out its responsibilities as follows:

(a) To review the audit plan of the external auditors of the Company and ensure the adequacy of the Company's system of accounting controls and the co-operation given by the Company's Management to the external auditors;

(b) To review the scope and results of the audit and its cost effectiveness;

(c) To review significant financial reporting issues and judgements so as to ensure integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;

(d) To review the half-year and full year financial results before submission to the Board for approval;

(e) To review the assistance given by Management to the external auditors;

3. ACCOUNTABILITY AND AUDIT (cont'd)

3.3 Audit Committee (cont'd)

(f) To review the internal audit programme and ensure co-ordination between the internal and external auditors and Management;

(g) To review the adequacy and effectiveness of the Company's internal audit procedures;

(h) To discuss problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (without the presence of Management, where necessary);

(i) To review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;

(j) To review the independence and objectivity of the external auditors annually;

(k) To 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;

(l) To undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time;

(m) To make recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors; and

(n) To review the adequacy of the Company's internal financial controls, operational, information technology and compliance controls, and risk management policies and systems established by the Management.

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

The AC has the power to conduct or to authorise investigations into any matters within the AC's scope of responsibility. The AC will also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results or financial position. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Group. Each member of the AC will abstain from any deliberations and/or voting in respect of matters in which he is interested.

The AC is given full access to and co-operation of the Management and has full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions. It meets with the external auditors of the Company, without the presence of Management, at least once a year.

On 17 November 2021, the Company had convened an extraordinary general meeting to seek Shareholders' approval for a change of auditors from Deloitte & Touche LLP ("**Deloitte**") to Crowe Horwath First Trust LLP ("**Crowe**") (the "**Change of Auditors**"), as certain disputes had arisen between the Company and Deloitte regarding Deloitte's fees, and Deloitte was unwilling to resume its audit of the Company for FY2019 until such disputes have been resolved. For more information, Shareholders may wish to refer to the circular relating to the Change of Auditors released by the Company via SGXNET on 17 November 2021.

The Change of Auditors was approved by Shareholders on 17 November 2021 and the Company has been working closely with Crowe to ensure that its audit for FY2019 can be completed as efficiently as possible. The Company will continue to work closely with Crowe on its audits for FY2020 and FY2021, to expedite completion of these outstanding audits.

3. ACCOUNTABILITY AND AUDIT (cont'd)

3.3 Audit Committee (cont'd)

For the year reported on, the AC reviewed and approved the scope of the audit plans of the independent auditors.

In its recommendation to the Board to approve the full year financial statements, the AC reviewed the results of the audit, significant findings or areas of emphasis and audit recommendations.

The AC, having reviewed the scope and value of non-audit services provided to the Group by the Company's external auditors, Crowe, an accounting firm registered with the Accounting and Corporate Regulatory Authority, is satisfied that the nature and extent of such service will not prejudice the independence and objectivity of the Company's external auditors. The AC had recommended the re-appointment of Crowe as its external auditors at the forthcoming AGM. The AC is satisfied that Crowe and the audit engagement team assigned to the audit have adequate resources and experience to meet its obligations. In this connection, the Company has complied with Rules 712 and 715 of the Listing Manual.

The aggregate amount of fees paid to the external auditors, broken down into audit and non-audit services, is disclosed in the Notes to the Financial Statements on page 92 of the Annual Report.

The Company's external auditors provide periodic updates and briefings to the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

Whistle-Blowing Policy

To encourage proper work ethics and deter any wrongdoing within the Group, the Group has established a whistleblowing policy that seeks to provide a channel for the Group's employees and external parties to raise concerns in good faith and in confidence about possible improprieties in matters of financial reporting or other matters such as possible corruption, suspected fraud and other non-compliance issues. The AC will address the issues and/or concerns raised and ensure that necessary arrangements are in place for the independent investigation of issues and/or concerns raised by the employees and external parties and for appropriate follow-up actions. Details of the whistle-blowing policies and arrangements have been made available to the Group's employees and external parties. Information received pertaining to whistle blowing will be treated with confidentiality and restricted to the designated persons-in-charge of the investigation to protect the identity and interest of whistle-blowers.

The AC Chairman has received no complaint as at the date of this Annual Report.

3.4 Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Board recognises the importance of maintaining an effective internal audit function to provide independent assurance over the soundness of the system of internal controls within the Group to safeguard Shareholders' investments and the Company's assets. The AC has the responsibility to review the adequacy of the internal audit function annually, review the internal audit program and ensure co-ordination between the Company's external auditors and Management, and ensure that the internal audit carried out meets or exceeds the standards set by nationally or internationally recognised professional bodies.

As disclosed above, the Company is currently undergoing the Independent Review. Upon completion of the Independent Review, the Company intends to outsource its internal audit function to a reputable accounting or audit firm/corporation.

3. ACCOUNTABILITY AND AUDIT (cont'd)

3.4 Internal Audit (cont'd)

In selecting its internal auditors, the Company will ensure that the following minimum criteria are met:

(a) the internal auditors are adequately resourced and independent of the activities it audits;

(b) the internal auditors are staffed with persons with the relevant qualifications and experience; and

(c) the internal auditors are able to carry out its function according to the standards set by nationally or internationally recognised professional bodies, including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

4. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

4.1 Shareholder Rights

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.

In line with the continuous disclosure obligations of the Company, pursuant to the Listing Manual and the Companies Act (Cap. 50) of Singapore, the Board's policy is that Shareholders are informed of all major developments that impact the Group regularly and on a timely basis. The Company believes in timely, fair and adequate disclosure of relevant information to the Shareholders and investors so that they will be apprised of the developments that may have a material impact on the price or value of Company's securities. The Company does not practise selective disclosure.

The Company welcomes the views of Shareholders on matters affecting the Company, whether at Shareholders' meetings or on an ad-hoc basis. In line with the current COVID-19 measures, Shareholders are given the opportunity to communicate their views and to ask the Directors and Management questions regarding the Group by submitting their questions prior to Shareholders' meetings. The Company is open to meetings with investors and analysts, and in conducting such meetings, is mindful to ensure fair disclosure.

4.2 Communication with Shareholders

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

Communication with Shareholders is managed by the Board. Pertinent information is communicated to Shareholders on a regular and timely basis through the following means:

(a) Results and annual reports are announced or issued within the mandatory period;

(b) Material information are disclosed in a comprehensive, accurate and timely manner via SGXNET and the press; and

(c) The Company's annual and extraordinary general meetings.

Whenever the Company is unable to comply with the relevant regulatory timelines, the Company will submit the necessary applications for waivers and extensions of time to the relevant regulators and promptly announce such applications via SGXNET to update Shareholders on the same.

4. SHAREHOLDER RIGHTS AND RESPONSIBILITIES (cont'd)

4.2 Communication with Shareholders (cont'd)

The Company wishes to highlight that it has, on 13 December 2021 submitted an application to the SGX-ST for waivers to comply with Rules 705(1), 705(2), 707(1), 707(2) and 711A of the Listing Manual and extensions of time or exemptions (as the case may be) in relation to its audits, financial results, annual reports and sustainability reports (as the case may be) for FY2019, FY2020, FY2021 and FY2022. For more information, Shareholders should refer to the Company's announcement on SGXNET dated 13 December 2021.

The Company does not practise selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Listing Manual. However, in the event that unpublished material information is inadvertently disclosed to any selected person in the course of the Group's interactions with the investing community, a media release or announcement will be released to the public via SGXNET to disclose and/or address such material information.

The Company currently does not have a corporate website. However, the Company's operating subsidiary via Nature's Farm Pte Ltd maintains its own website.

The Company does not have a fixed dividend policy. The payment of dividend is deliberated by the Board annually having regard to various factors, including 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. Where dividends are not paid, the Company discloses the reasons.

4.3 Conduct of Shareholder Meetings

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

The annual general meeting of the Company is a principal forum for dialogue and interaction with all Shareholders. The Board encourages Shareholders to attend the Company's general meetings to ensure a greater level of shareholder participation and to meet with the Board and key management staff so as to stay informed on the Group's developments. The Directors regard AGMs as an opportunity to communicate with Shareholders and encourage greater shareholder participation.

All Shareholders receive annual reports and are informed of Shareholders' meetings through notices published on SGXNET and reports or circulars sent to Shareholders. Shareholders are invited to submit any questions they may have on the motions to be debated and decided upon prior to such meetings. In line with the current COVID-19 measures, Shareholders will not be able to attend the AGM in person, but is given the option to appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at the AGM.

The Directors, including the Chairman of the Board and each Board Committee are present at the AGM to address Shareholders' questions which have been submitted in advance.

The Chairpersons of the AC, RC and NC are normally available at Shareholders' meetings to answer questions relating to the work of these Board Committees which have been submitted in advance. The Company's external auditors will also be present to assist the Directors in addressing queries by Shareholders, if necessary.

To ensure that all the Shareholders have the opportunity to participate effectively in and vote at general meetings, voting at general meetings of the Company is conducted by poll. The Chairman of the meeting, with the assistance of service providers engaged by the Company, will brief Shareholders on the procedures involved in voting by poll. An announcement of the detailed results of the poll showing the number of votes cast for and against each resolution and the respective percentages will be announced after the general meeting via SGXNET.

At Shareholders' meetings, each distinct issue is proposed as a separate resolution. Each item of special business included in the notice of meetings will be accompanied by the relevant explanatory notes. This is to enable Shareholders to understand the nature and effect of the proposed resolutions.

4. SHAREHOLDER RIGHTS AND RESPONSIBILITIES (cont'd)

4.3 Conduct of Shareholder Meetings (cont'd)

The Company Secretary records minutes of all general meetings, including questions and comments from Shareholders together with the responses of the Board and Management. These are published on SGXNET within one month after the general meeting.

5. MATERIAL CONTRACTS

There were no material contracts entered into by the Company or its subsidiaries involving the interests of the Directors or controlling shareholders, which are either still subsisting at the end of FY2019 or if not then subsisting, entered into since the end of the previous financial year.

6. DEALINGS IN SECURITIES

The Company has adopted a policy on dealings in securities in accordance with Rule 1207(19) of the Listing Manual. The Directors and officers are prohibited to deal in the Company's securities, during the period beginning: one (1) month before the date of the announcement of the full year results, and two (2) weeks before the date of the announcement of the half-year results or quarterly results (as the case may be) and ending on the date of the announcement of the relevant results.

In addition, the officers of the Company are reminded (i) not to deal with the Company's securities on short term considerations or if they are in possession of unpublished material price sensitive information; and (ii) that they are required to report on their dealings in shares of the Company.

The Directors and employees of the Company are also advised to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods.

The Company wishes to highlight for completeness that trading in its shares has been suspended since 1 April 2019.

7. INTERESTED PERSON TRANSACTION

The Group has established internal procedures to ensure compliance with the requirement of Chapter 9 of the Listing Manual on interested person transactions. When a potential conflict of interest occurs, the Director concerned will be excluded from discussions and refrain from exercising any influence over other members of the Board.

During FY2019, the Group did not have a shareholders' mandate pursuant to Rule 920 of the Listing Manual. The Company wishes to highlight that it does not have any Interested Person Transactions exceeding $100,000 in aggregate value*.

** Note: 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 (3) 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.*

RISK ASSESSMENT AND MANAGEMENT

The Board is responsible for the governance of risk. The risk management systems are appropriate to each of its operating subsidiaries. This framework is designed to enable management to identify and manage those essential risks of the respective businesses and operations.

The following are the major risk exposure of the Group:-

1. Political, Social, Economic Risks

We are affected by the political, social and economic conditions in the countries in which the Group operates and where our customers and suppliers are located. Factors such as fluctuations in exchange rates, economic recession, inflation, changes in governmental or regulatory policies, labour conditions, implementation of import and export controls can affect the Group's operations and financial results.

2. Financial Risks

The Group is exposed to a variety of financial risks, namely credit, liquidity, interest rate and foreign currency risks. The identification and management of such risks are outlined on pages 96 to 102 of the Annual Report (under Note 27 to the Financial Statements).

3. Operational Risk

Inherent in all business activities, it is potential for financial loss and business instability arising from failures in internal controls, operational processes or the system that supports them.

To minimise exposure to such risks, the Group has put in place operating manuals, standard operating procedures, delegation of authority guidelines and a regular reporting framework which encompasses operational and financial reporting.

The Group also reviews risk transfer mechanism such as insurance to insure against risk and to determine insurance levels which are appropriate in terms of cost of cover and risk profiles of the businesses in which it operates.

4. Investment Risk

The Group is exposed to investment risk for all its major investments.

To mitigate such risk, all major investments will be subjected to vigorous scrutiny to ensure that they meet the required rates of return, taking into consideration of all relevant risk factors such as operating currency and liquidity risks. In addition, the Board requires that each major investment proposal submitted to the Board for approval is accompanied by a comprehensive risk assessment of the proposed investment.

5. Compliance and Legal Risk

Compliance risk arises from a failure or inability to comply with the laws and regulations, applicable to the various industries. Non-compliance may lead to fines, public reprimands, enforced suspension of operations or withdrawal of license to operate.

The responsibility to ensure compliance with applicable laws and regulations vests with the respective operating heads. Legal risk includes risks arising from actual or potential violations of law or regulation, inadequate documentation, failure to protect the Group's property etc.

The Group identifies and manages legal risk through use of its external legal advisers.

Directors' Statement and Financial Statements

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50 Notes to the Financial Statements

The directors present their statement to the members together with the audited financial statements of Camsing Healthcare Limited (the "Company") and subsidiaries (the "Group") for the financial year ended 31 January 2019 and the statement of financial position and the statement of changes in equity of the Company as at 31 January 2019.

In the opinion of the directors,

(a) the statement of financial position and the statement of changes in equity of the Company and the consolidated financial statements of the Group as set out on pages 13 to 79 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 January 2019 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year then ended; and

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

The board of directors has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Liu Hui
Yeo Choon Tat (appointed on 22 June 2021)

Directors' interests in shares or debentures

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Cap. 50, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Deemed interests	
	At 1 February 2018	At 31 January 2019
Ultimate holding company		
- Creative Elite Holdings Ltd		
Ordinary shares		
Lo Ching (resigned on 23 March 2021)	25,008,120	25,008,120

There was no change in any of the above-mentioned interests in the Company and its related corporation between the end of the financial year and 21 February 2019.

Arrangements to enable directors to acquire benefits by means of the acquisition of shares and 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.

Share options

During the financial year, no options to take up unissued shares of the Company or any subsidiaries were granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company or any subsidiaries. There were no unissued shares of the Company or any subsidiaries under option at the end of the financial year.

Audit committee

The member of the Audit Committee at the end of the financial year is as follows:

Yeo Choon Tat (Chairman)

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap 50, the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditors and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditors;
- the periodic results announcements prior to their submission to the Board for approval;
- the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group for the financial year ended 31 January 2019 prior to their submission to the Board of Directors, as well as the independent auditors' report on the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited), if any.

The Audit Committee has recommended to the Board of Directors that the independent auditors, Crowe Horwath First Trust LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company. The Audit Committee has conducted an annual review of non-audit services provided by the auditors to satisfy itself that the nature and extent of such services will not affect the independence and objectivity of the external auditors before confirming their re-nomination.

Independent auditors

The independent auditors, Crowe Horwath First Trust LLP, have expressed their willingness to accept re-appointment as auditors of the Company.

The Board of Directors

LIU HUI
Director

YEO CHOON TAT
Director

16 December 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Camsing Healthcare Limited

Crowe Horwath First Trust LLP
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Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Camsing Healthcare Ltd. (the "Company") and its subsidiaries (the "Group"), as set out on pages 41 to 107, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 January 2019, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Audit Matters raised by Preceding Auditor

The financial statements for the financial years ended 31 January 2017 ("FY2017") and 31 January 2018 ("FY2018") were audited by an independent auditor (the "Preceding Auditor"), whose reports dated 5 May 2017 and 3 May 2018 respectively were unmodified.

During the course of its audit of the financial year ended 31 January 2019 ("FY2019"), the Preceding Auditor identified and highlighted various audit matters ("Audit Matters") to the Company's Board of Directors and the Audit Committee, as announced by the Company on 29 March 2019. The Audit Matters relate to, *inter alia*, the following: -

(i) Whether the parties in certain distribution and consignment agreements are related and whether the Group retained the risks and rewards embodied in the products originally sold under the distribution agreement;

(ii) Uncertainty over the recoverability of licence fee income in FY2018 and the reversal of license fee income for FY2019;

(iii) Whether the parties involved in a certain purchase agreement, relating to the sale of wearable technology devices, are related;

(iv) Uncertainty over the sufficiency of the Group's cashflow to meet its operating and financing needs for the next twelve months after the end of the reporting period in view of the breach of certain bank covenants for credit facilities arising from two bank loans.

Crowe Horwath First Trust LLP (UEN: T08LL1312H) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A).



Basis for Disclaimer of Opinion (Continued)

1. Audit Matters raised by Preceding Auditor (Continued)

Pursuant to a Notice of Compliance issued by the Singapore Exchange Regulation to the Company on 29 March 2019, the Company appointed a special auditor ("Special Auditor") to investigate into the Audit Matters raised by the Preceding Auditor. The Special Auditor issued an executive summary findings report on 1 September 2020, as disclosed in Note 2(a) to the financial statements.

We carried out audit procedures, including follow-up procedures on the findings reported by the Special Auditor, but have not been able to obtain sufficient audit evidence to provide a basis for an audit opinion as described in (a) to (d) below.

(a) Opening balances

As adumbrated above, the Audit Matters raised concerns over certain transactions which had taken place during FY2017 and FY2018 although the Preceding Auditor had expressed an unmodified audit opinion on each of the financial statements for FY2017 and FY2018. These FY2017 and FY2018 transactions form part of the opening balances for FY2019.

The Preceding Auditor has granted us limited access to its audit working papers for FY2018 ("FY2018 AWP") and pertinent working papers were not made available for our review. Hence, we were unable to determine the nature, timing and extent of audit procedures that had been applied by the Preceding Auditor to those transactions highlighted in the Audit Matters for FY2017 and FY2018. Neither were we able to obtain sufficient and appropriate audit evidence based on the findings reported by the Special Auditor. Consequently, we are unable to determine whether the opening balances of the financial statements of the Group and the Company as at 1 February 2018 are fairly stated.

(b) Distribution and consignment agreements

In the prior financial years, the Company's principal subsidiary, Nature's Farm Pte Ltd ("NF") sold health supplements of $9,360,000 ("Health Supplements-1") to its exclusive distributor, Global Biotech Medical Inc., Limited ("Global Biotech") in FY2017 and FY2018. Subsequently, on 25 January 2018, NF entered into a consignment agreement with I Nitra Consulting Limited ("I-Nitra"), purportedly Global Biotech's distributor, to consign $4,350,000 of Health Supplements-1 ("Consigned Goods") from I-Nitra. Under the terms of the consignment agreement, NF is entitled to commission income of 60% of the gross consignment sales. During FY2019, NF sold some of the Consigned Goods to its retail and wholesale customers and the Group recorded commission income of $304,000 based on 60% of gross sales value.

In a similar arrangement, NF repurchased certain honey products during FY2019 of $228,000 ("Repurchased Honey") from I-Nitra, representing 90.7% of NF's sales of honey products of $599,000 to Global Biotech in FY2018. As at FY2019, the Repurchased Honey included as part of the Group's inventories remained largely unsold.



Basis for Disclaimer of Opinion (Continued)

1. Audit Matters raised by Preceding Auditor (Continued)

(b) Distribution and consignment agreements (Continued)

Subsequent to FY2019, NF repurchased another batch of health supplements from Global Biotech at a cost of $47,000 ("Health Supplements-2") in February 2020, which were originally sold to Global Biotech in January 2018 for $1,226,000, representing a significant discount of 96% purportedly due to an offsetting arrangement for Global Biotech to repay its debts owing to NF. In March 2020, NF received Health Supplements-2 with an expiry date of less than 12 months.

We were unable to obtain necessary information and explanations on the Special Auditor's findings to determine the commercial substance or business rationale of these arrangements. In addition, we are unable to determine the rights and obligations of the Group under these contractual arrangements with Global Biotech and I-Nitra, or the exact nature of the relationship between these contractual parties, and whether there are any other financial statements implications to the current and prior years' financial statements, including relevant legal and regulatory compliance.

(c) Purchase of wearable technology devices

During FY2019, NF entered into an agreement with Global Biotech to purchase 5,000 units of wearable technology devices ("Purchase Agreement") for a total purchase price of $2,800,000. The Purchase Agreement was undated and signed by then CEO of NF, notwithstanding that the Board of Directors' approval was not obtained. Full payment of the contract sum was approved by an individual, who was the sole signatory to some of the Company's bank accounts ("Sole Signatory"). Payment of $2,800,000 was made to Global Biotech on 15 October 2018, despite NF not receiving any goods at the time of payment. The Sole Signatory was not an employee of the Group and was subsequently taken criminal custody, together with the Company's executive chairman and controlling shareholder, by the Yangpu Branch of the Shanghai Public Security Bureau in China on 25 June 2019 and 20 June 2019 respectively.

Subsequently, NF entered into a supplemental agreement on 8 January 2019 ("Supplemental Agreement") to revise the unit cost downwards and increase the number of quantities ordered, together with a revision of contractual terms which included a non-refundable deposit of 10%, instead of payment of the full contract sum, and to provide for unsold devices after one year to be fully refunded. On 28 March 2019, pursuant to the Supplemental Agreement, NF received a refund of $2,400,000 from Global Biotech. As at the date of this report, none of the devices had been sold. Consequently, the cost of $400,000, net of the amount refunded, were impaired in FY2019.

We were unable to obtain necessary information and explanations on the Special Auditor's findings to determine the commercial substance or business rationale of the Purchase Agreement. In addition, we are unable to determine the legality and substance of the arrangements under the Purchase Agreement and Supplemental Agreement with Global Biotech. We are also unable to determine whether these arrangements are in compliance with the applicable laws and regulations or if there will be any consequential impact to the current year's financial statements.



Basis for Disclaimer of Opinion (Continued)

1. Audit Matters raised by Preceding Auditor (Continued)

(d) License fees

Pursuant to certain distribution agreements with NF, Caring Global Health Management (Beijing) Co., Ltd ("Caring Global") and Global Biotech agreed to pay licensing fee income to NF for the exclusive use of 2 different trademarks in Hong Kong and China ("Trademark-1" and "Trademark-2", respectively). The Group recognised total license fee income of $852,000 and $414,000 in FY2017 and FY2018 respectively, and $393,000 during FY2019 which was subsequently reversed in January 2019. During FY2019, full impairment loss was recognised on license fee receivable of $369,000 relating to FY 2018.

Under the licensing agreement with Caring Global, the Special Auditor noted that Trademark-1 had been registered and owned by another unrelated company in New Zealand and it was uncertain whether NF has the authority or permission to grant a sub-license of Trademark-1. Further, as highlighted in item (b) "*Distribution and consignment agreements*", certain inventories sold to Global Biotech under the distribution agreement ("Sales Transactions") in the previous financial years were subsequently repurchased by NF, for reasons that were unclear to us, of which license fee income was earned on these Sales Transactions.

Consequently, we were unable to obtain sufficient audit evidence on the Special Auditor's findings to establish the appropriateness of the reversal of license fee income of $393,000 in FY2019, and of the full impairment of $69,000 and $300,000 for Trademark-1 and Trademark-2 respectively, which was affected by the validity and appropriateness of license fee income of $414,000 recognised in FY2018. In addition, we are unable to determine the legality and substance of the licensing arrangements with Caring Global and Global Biotech nor determine the exact nature of the relationship between these contractual parties. We are also unable to determine whether these arrangements are in compliance with the applicable laws and regulations or if there will be any consequential impact to the current and prior years' financial statements.



Basis for Disclaimer of Opinion (Continued)

2. Limitation of scope

Based on the foregoing paragraphs, we are unable to satisfy ourselves as to the existence, completeness and accuracy of transactions that occurred during FY2019 and balances recorded as of that date, including, but not limited to items (a) to (g) as described below.

(a) Opening balances

In addition to the matters (including the limitations imposed by the Preceding Auditor during our review of its FY2018 AWPs) as described in item (1) above, the incumbent management is also unable to provide us with certain supporting documents and satisfactory explanations as it does not have full and complete knowledge of the affairs relating to FY2017 and FY2018. Further, we were unable to perform certain audit procedures that we considered necessary to determine the accuracy and completeness of opening balances. Consequently, we were unable to determine whether opening balances of the Group and the Company as at 1 February 2018 were fairly presented. Since the opening balances as at 1 February 2018 entered into the determination of the financial performance, changes in equity and cash flows of the Group and the Company for FY2019, we were unable to determine whether any material adjustments might have been found necessary in respect of the financial statements of the Group and the Company for FY2019.

(b) Camsing Healthcare (Fuzhou) Medical Instrument Co., Ltd ("CFZ")

On 30 November 2017, the Group entered into an investment agreement with a third party, Fuzhou Zhongxin Baokang Trading Co., Ltd ("Fuzhou Zhongxin") to set up CFZ, with principal activities of distribution and trading of medical supplies and medical instruments to local hospitals in China, in the respective equity proportions of 51% and 49%. The Group's initial cost of investment in CFZ was approximately $2,000,000.

As disclosed in Note 5 to the financial statements, management assessed that the Group did not have control over CFZ in FY2019, notwithstanding that the Group has 51% equity interest in CFZ, and concluded that the Group was only able to exercise significant influence over CFZ by virtue of its board representation. Accordingly, the Group reclassified CFZ from a subsidiary to an associate effective 1 February 2018 and recognised a loss on deconsolidation of CFZ of $438,000 and applied equity accounting to recognise the Group's share of losses in CFZ of $422,000 for FY2019. The Group further recognised an impairment loss of $1,058,000 on the remaining carrying amount of the investment in CFZ as at 31 January 2019 due to deteriorating operational performance of CFZ.

Due to the lack of access to the accounting records of CFZ made available to us, we were unable to perform audit procedures to obtain sufficient appropriate audit evidence on the Group's loss on deconsolidation of CFZ, the Group's share of losses in CFZ, as well as the relevant disclosures, including the net assets/liabilities of CFZ, under SFRS (I) 1-28 Investments in Associates to be included in the consolidated financial statements of FY2019. We were also unable to evaluate the appropriateness of the basis of full impairment losses made by the management as at FY2019 and the adequacy of the disclosures therein.



Basis for Disclaimer of Opinion (Continued)

2. Limitation of scope (Continued)

(c) Existence, valuation and completeness of inventories

Having been appointed subsequent to the financial year end, we did not attend the Group's annual inventory count as at 31 January 2019 and we were unable to perform alternative procedures that we considered necessary to verify the existence, accuracy and completeness of the Group's inventories as at 31 January 2019 of $2,122,000 due to the long time lapse between the reporting date and the date of our report. In addition, due to the lack of inventory costing worksheets and inventory aging reports made available to us, we are also not able to obtain sufficient audit evidence to conclude on the appropriateness of the carrying amount of the Group's inventories, including the allowance for obsolescence and write-down of inventories of $87,000 and $46,000 (Note 7) respectively.

(d) Existence and impairment assessment of property, plant and equipment ("PPE")

As at 31 January 2019, the carrying amount of the Group's PPE was $1,406,000, net of impairment charge of $655,000 as disclosed in Note 4, which includes leasehold property at revalued amount of $882,000 and plant and machinery, furniture and vehicles of the principal subsidiary, NF of $524,000. We did not perform fixed asset sighting of the Group's PPE and we were unable to perform alternative procedures that we considered necessary to verify the existence of PPE reported as at 31 January 2019, due to the long time lapse between the reporting date and the date of our report during which there were closures of certain retail outlets.

Further, management made an impairment charge on the Group's PPE of $655,000 (Note 4) in FY2019, using value in use on the basis that certain retail stores reported continuing operating losses. Due to the lack of a proper impairment assessment using discounted cashflows to determine the value in use, we were not able to obtain sufficient appropriate audit evidence to conclude on the appropriateness of the basis of the impairment charge recorded to determine that the resultant carrying amounts of the PPE represents the recoverable amount, on an individual retail outlet basis. Consequently, we are unable to obtain sufficient appropriate audit evidence to conclude on the existence and accuracy of the carrying amount of the Group's PPE as at 31 January 2019, and appropriateness of the amount of impairment loss recognised during FY2019, and if any further adjustments were necessary.

(e) Impairment of investment in the principal subsidiary of the Company

As at 31 January 2019, the carrying amount of the Company's investment in subsidiaries was $4,072,000, net of impairment charge of $9,294,000 as disclosed in Note 5, which relates primarily to investment in the principal subsidiary, NF, held through William Jacks & Co. (Singapore) Pte. Ltd. Management made an impairment charge on investment in NF of $9,294,000 (Note 5) in FY2019, using value in use. On the basis that NF has implemented cost-cutting measures, including the closures of loss-making retail stores, management concluded that no further impairment was required as at 31 January 2019. Due to the lack of a proper impairment assessment using discounted cashflows to determine NF's value in use, we are unable to obtain sufficient appropriate audit evidence to conclude on the adequacy of impairment loss recognised on investment in NF for FY2019 and the appropriateness of the Company's carrying amount of investment in subsidiaries as at 31 January 2019.



Basis for Disclaimer of Opinion (Continued)

2. Limitation of scope (Continued)

(f) Review of subsequent events

Due to the lack of certain supporting documents and several changes in the composition of the Board of Directors and management team, and in view of the long lapse of time between the reporting date and the date of our report, we are unable to complete subsequent events review procedures that we consider necessary for the Group. Consequently, we are unable to ascertain whether all significant subsequent events and transactions have been adequately adjusted for or disclosed in these financial statements.

3. Going concern assumption

As disclosed in Note 2(b) to the financial statements, the Group incurred a net loss for the year of $6,571,000 and negative operating cash flows of $1,798,000 for FY2019. The Group's cash and cash equivalents amounted to $1,367,000 as at 31 January 2019. As disclosed in Note 10 to the financial statements, two subsidiaries of the Group have breached certain bank covenants and defaulted on the repayment of bank loans amounting to an aggregate of $3,400,000 as at 31 January 2019. Consequently, the banks issued a letter of demand dated 27 August 2019 to one of the subsidiaries claiming repayment of $2,205,342 (which includes accrued interests and other charges arising from banking facilities granted to the subsidiary). Subsequently, in September 2021, the Group settled an outstanding bank loan amounting to approximately $2,200,000 As at the date of this report, the Group still owes the bank the remaining loan balance of approximately $1,000,000 and the Group is still in the process of finalising a repayment plan with the bank.

The above conditions, coupled with the matters highlighted above, indicate the existence of multiple material uncertainties which may cast significant doubts on the ability of the Group and the Company to continue as going concerns. As disclosed in Note 2(b) to the financial statements, the Board of Directors of the Company have prepared the financial statements on a going concern basis on the assumptions that the Company's principal subsidiary, NF, will generate positive and sufficient cashflows, together with potential fund-raising activities, to enable the Group and the Company to meet its obligations as and when they fall due for the next twelve months. As at the date of this report, due to the matters highlighted above, we have not been able to obtain sufficient audit evidence regarding the likely outcome of the Group's ability to finalise the repayment plan with the bank and of fund-raising activities. Accordingly, we are uncertain of the appropriateness of the use of the going concern assumption in the preparation of these financial statements



Basis for Disclaimer of Opinion (Continued)

3. Going concern assumption (Continued)

In the event the Group and the Company are unable to continue as going concerns, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made 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 significantly from the amounts at which they are recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might 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.

Other Matter

The financial statements for the year ended 31 January 2018 were audited by another auditor whose report dated 3 May 2018 expressed an unqualified opinion on those financial statements.

Responsibilities of Management and Directors 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 Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International), 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.



Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report On Other Legal and Regulatory Requirements

In our opinion, because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and those subsidiary corporations incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Adeline Ng Cheah Chen.

Crowe Horwath First Trust LLP
Public Accountants and
Chartered Accountants
Singapore

16 December 2021

STATEMENTS OF FINANCIAL POSITION

January 31, 2019

(Amounts in Singapore dollars)

	Note	Group			Company		
		2019 $'000	2018 $'000	1 February 2017 $'000	2019 $'000	2018 $'000	1 February 2017 $'000
ASSETS							
Non-current assets							
Property, plant and equipment	4	1,406	2,465	2,138	-	-	-
Investment in subsidiaries	5	-	-	-	4,072	13,366	18,216
Investment in associate	6	-	-	-	-	-	-
Other receivables	8	892	442	672	-	-	-
Deferred tax assets	13	74	117	209	-	-	-
		2,372	3,024	3,019	4,072	13,366	18,216
Current assets							
Cash and cash equivalents	23	1,367	5,094	5,784	51	3,420	3,373
Trade receivables	8	58	2,791	2,926	-	-	-
Other receivables	8	2,914	1,661	907	656	204	457
Inventories	7	2,122	3,198	3,553	-	-	-
		6,461	12,744	13,170	707	3,624	3,830
TOTAL ASSETS		8,833	15,768	16,189	4,779	16,990	22,046
LIABILITIES							
Current liabilities							
Trade payables	9	373	253	310	-	-	-
Other payables	9	409	517	433	114	79	73
Interest-bearing loans and borrowings	10	3,400	3,400	4,200	-	-	-
Finance lease	11	18	16	16	-	-	-
Provisions	12	21	279	145	-	-	-
Amount due to a subsidiary	24	-	-	-	-	8,162	8,162
		4,221	4,465	5,104	114	8,241	8,235

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

January 31, 2019

(Amounts in Singapore dollars)

	Note	Group			Company		
		2019 $'000	2018 $'000	1 February 2017 $'000	2019 $'000	2018 $'000	1 February 2017 $'000
Non-current liabilities							
Finance lease	11	9	25	41	-	-	-
Provision for reinstatement	12	228	-	-	-	-	-
Deferred tax liabilities	13	174	231	178	-	-	-
		411	256	219	-	-	-
TOTAL LIABILITIES		4,632	4,721	5,323	114	8,241	8,235
NET ASSETS		4,201	11,047	10,866	4,665	8,749	13,811
EQUITY							
Capital and reserves attributable to equity holders of the Company							
Share capital	14	14,250	14,250	14,250	14,250	14,250	14,250
Revaluation reserve	16	390	667	519	-	-	-
Foreign currency translation (deficit) / reserve	16	(18)	26	-	-	-	-
Accumulated losses		(10,420)	(3,850)	(3,903)	(9,585)	(5,501)	(439)
Equity attributable to owners of the company		4,202	11,093	10,866	4,665	8,749	13,811
Non-controlling interests		(1)	(46)	-	-	-	-
TOTAL EQUITY		4,201	11,047	10,866	4,665	8,749	13,811

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended January 31, 2019

(Amounts in Singapore dollars)

	Note	2019 $'000	2018 $'000
Revenue	17	8,386	14,912
Cost of sales		(3,678)	(6,311)
Gross profit		4,708	8,601
Interest income	18	19	29
Other income	19	112	470
Marketing and distribution expenses		(6,243)	(6,636)
Administrative expenses		(2,392)	(2,288)
Finance costs	20	(89)	(54)
Loss on deconsolidation of subsidiary	5, 6	(438)	-
Impairment loss on investment in associate	5, 6	(1,058)	-
Impairment loss on other receivables	8	(768)	-
Share of result of associate	5, 6	(422)	-
(Loss) / Profit before tax		(6,571)	122
Income tax expense	22	-	(115)
(Loss) / Profit for the year	21	(6,571)	7
Other comprehensive (loss) / income:			
Items that may be reclassified subsequently to profit or loss:			
- Exchange difference on translation of foreign operations		(44)	26
Items that will not be reclassified subsequently to profit or loss:			
- Deferred tax liability arising from revaluation of leasehold property	22	57	(30)
- Revaluation of leasehold property		(334)	178
Other comprehensive (loss) / income for the year, net of tax		(321)	174
Total comprehensive (loss) / income for the year		(6,892)	181

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended January 31, 2019

(Amounts in Singapore dollars)

	Note	2019 $'000	2018 $'000
(Loss) / Profit attributable to:			
Equity holders of the Company		(6,570)	53
Non-controlling interests		(1)	(46)
		(6,571)	7
Total comprehensive (loss) / income attributable to:			
Equity holders of the Company		(6,891)	227
Non-controlling interests		(1)	(46)
		(6,892)	181
(Loss) / Earnings per share (cents)			
Basic and diluted	15	(21.90)	0.18

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF
CHANGES IN EQUITY

For the financial year ended January 31, 2019

(Amounts in Singapore dollars)

	Attributable to equity holders of the Company						
Group	Share capital	Foreign currency translation reserve	Revaluation reserve	Retained earnings (Accumulated losses)	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 February 2017 (FRS Framework)	14,250	(3,950)	519	47	10,866	-	10,866
Cumulative effects of adopting SFRS(I) (Note 30)	-	3,950	-	(3,950)	-	-	-
Balance at 1 February 2017 (SFRS(I) framework)	14,250	-	519	(3,903)	10,866	-	10,866
Total comprehensive income for the year							
Profit for the year	-	-	-	53	53	(46)	7
Other comprehensive income for the year	-	26	148	-	174	-	174
	-	26	148	53	227	(46)	181
Balance as at 31 January 2018	14,250	26	667	(3,850)	11,093	(46)	11,047

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended January 31, 2019

(Amounts in Singapore dollars)

Group	Attributable to equity holders of the Company					Non-controlling interests	Total equity
	Share capital	Foreign currency translation reserve	Revaluation reserve	Retained earnings (Accumulated losses)	Equity attributable to owners of the Company		
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 February 2018 (FRS Framework)	14,250	(3,924)	667	100	11,093	(46)	11,047
Cumulative effects of adopting SFRS(I) (Note 30)	-	3,950	-	(3,950)	-	-	-
Balance at 1 February 2018 (SFRS(I) framework)	14,250	26	667	(3,850)	11,093	(46)	11,047
Total comprehensive income for the year							
Loss for the year	-	-	-	(6,570)	(6,570)	(1)	(6,571)
Other comprehensive loss for the year	-	(44)	(277)	-	(321)	-	(321)
	-	(44)	(277)	(6,570)	(6,891)	(1)	(6,892)
Transactions with owners, recognised directly in equity							
Arising from deconconsolidation of subsidiary	-	-	-	-	-	46	46
Balance as at 31 January 2019	14,250	(18)	390	(10,420)	4,202	(1)	4,201

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended January 31, 2019

(Amounts Singapore dollars)

Company	Share capital	Accumulated losses	Total equity
	$'000	$'000	$'000
Balance as 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 as at 31 January 2018	14,250	(5,501)	8,749
Balance as at 1 February 2018	14,250	(5,501)	8,749
Loss for the year, representing total comprehensive loss for the year	-	(4,084)	(4,084)
Balance as at 31 January 2019	14,250	(9,585)	4,665

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended January 31, 2019

(Amounts in Singapore dollars)

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
(Loss) / Profit before tax		(6,571)	122
Adjustments:			
Depreciation expense		426	413
Impairment loss on property, plant and equipment		655	67
Property, plant and equipment written off		104	191
Write off and allowance for inventories		133	31
Impairment loss on investment in associate		1,058	-
Impairment loss on other receivables		768	-
Share of result of associate		422	-
Loss on deconsolidation of subsidiary		438	-
Interest expense		89	54
Interest income		(19)	(29)
Foreign exchange differences		(8)	26
Operating (loss) / profit before working capital changes		(2,505)	875
Trade and other receivables		263	(389)
Inventories		942	324
Trade and other payables		(377)	27
Provisions		(51)	134
Cash generated (used in) / from operations		(1,728)	971
Interest received		19	29
Interest paid		(89)	(54)
Net cash (used in) / from operating activities		(1,798)	946
Cash flows from investing activities			
Purchase of property, plant and equipment		(604)	(821)
Investment in associate	6	(1,000)	-
Deconsolidation of a subsidiary, net of cash disposed of	5	(310)	-
Proceeds from disposal of property, plant and equipment		-	1
Net cash used in investing activities		(1,914)	(820)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended January 31, 2019

(Amounts in Singapore dollars)

	Note	2019 $'000	2018 $'000
Cash flows from financing activities			
Repayment of interest-bearing loans and borrowings		-	(800)
Repayment of finance lease obligations		(15)	(16)
Net cash 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 year	23	1,367	5,094

The accompanying notes are an integral part of the financial statements.

(Amounts in Singapore dollars unless otherwise stated)

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

1. GENERAL INFORMATION

Camsing Healthcare Limited (the "Company") is a limited liability company domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The address of the Company's registered office is at 24 Raffles Place #20-03 Clifford Centre, Singapore 048621. During the year, the address of its principal place of business was 18 Kaki Bukit Road 3, #05-16 Entrepreneur Business Centre, Singapore 415978 and subsequently moved to 10 Kaki Bukit Ave 1 #04-05 Kaki Bukit Industrial Park Singapore 417942.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

The financial statements for the financial year ended 31 January 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 16 December 2021.

2a. SPECIAL AUDIT OF THE GROUP

In or around March 2019, the Company's former auditors, Deloitte & Touche LLP ("**DT**"), highlighted certain matters ("**Audit Matters**") to the then Audit Committee during the course of its audit of the financial statements for year ended 31 January 2019. The Audit Matters include the following:

(a) Whether the parties in certain distribution agreements and consignment agreements are related parties, and whether the Group retained the risks and rewards embodied in the products that were sold under the distribution agreements and were later returned as consignment stocks;

(b) Whether the parties involved in a purchase agreement are related parties;

(c) Uncertainty over the recoverability of licence fee income in FY2018, and the reversal of the licence fee income in FY2019; and

(d) Uncertainty over whether the Group is able to continue as a going concern given that bank covenants have been breached.[1]

On 29 March 2019, the Singapore Exchange Regulation ("**SGX RegCo**") issued a Notice of Compliance to the Company requiring the Company to, among others, perform the following:

(i) appoint a special auditor to investigate the Audit Matters raised by the Preceding Auditor, with the scope of the special audit subject to SGX RegCo's approval; and

(ii) direct the special auditor to report their findings directly to SGX RegCo and the Company's Audit Committee.

[1] See paragraph 1.1.3 of the ES-Report

2a. SPECIAL AUDIT OF THE GROUP (Continued)

In or around April 2019, RSM Corporate Advisory Pte Ltd was appointed as the special auditor ("**Special Auditor**") to address the issues stated above. On 1 September 2020, the Special Auditor completed the special audit and set out its findings in an executive summary report ("**ES-Report**"), which was announced by the Company of even date. On the same date, SGX RegCo issued another Notice of Compliance to the Company requiring the Company to, among others, appoint an independent firm to undertake an independent review of the Company's internal controls and governance practices, to address and implement the recommendations made by the Special Auditor[2].

The key findings as detailed in the ES-Report by the Special Auditor include, *inter alia*, the following:

(a) Transactions with Global Biotech Medical Inc. Limited ("Global Biotech"), I-Nitra Consulting Limited ("I-Nitra"), Caring Global Health Management (Beijing) Co., Ltd ("Caring Global")

The Special Auditor noted several purported circular sales between the Company's principal subsidiary, Nature's Farm Pte Ltd ("NF"), Global Biotech and I-Nitra and highlighted concerns surrounding the nature of the following transactions with these entities and the Group's relationships with these entities:

(i) On 25 January 2018, NF "repurchased" 46.5% of health supplements from I-Nitra under a consignment agreement, which were originally sold by NF to Global Biotech in FY2017 and FY2018 of $9,360,000.

(ii) During FY2019, NF repurchased 90.7% of honey products from I-Nitra, which were originally sold by NF to Global Biotech in FY2018.

(iii) In February 2020, NF repurchased another batch of health supplements from Global Biotech at 96% discount from the original sales to Global Biotech of $1,226,000 in January 2018.

In addition, the Special Auditor highlighted a one-off sale of honey products to Caring Global at a gross profit margin of 3.8%, as compared to typical gross profit margin of 46.4% to 46.6% for sales of honey products based on transactions in FY2018 and FY2019.

The Special Auditor however did not find any conclusive evidence of round-tripping as there were evidence of shipment of goods and collection of sales proceeds.

The Special Auditor also reported that there was *circumstantial* evidence to suggest that the three entities (namely, Global Biotech, I-Nitra and Caring Global) and the Group's former key personnel, Ms. Lo Ching (former executive chairman and controlling shareholder of the Group), Mr. Hua Min (former CEO of NF) and Ms. Jennifer Wang Yu (former COO of NF) were *connected*.

Brief response of incumbent management

(a) It was erroneous to term the *consignment* arrangements with I-Nitra on 25 January 2018 as a "repurchase" of goods. The goods received by the Group (as a consignee) were "consigned goods" which ownership and title did not belong to the Group; it remained with the consignor (I-Nitra). The Group was only entitled to earn commission income at 60% of the sales value of the consigned goods upon the sale of such goods. During FY2019, a consignment commission income of approximately S$304,000 was recognised.

(b) The repurchase of honey products from I-Nitra was treated as an outright purchase of goods by the Group. Any sale of such "repurchased" products was recognised as revenue of the Group. During FY2019, the Group had recorded sale of such honey products amounting to approximately S$87,000.

[2] On 13 January 2021, an independent reviewer has been appointed. However, due to the changes in board composition and the urgency to issue these long overdue audited financial statements so as to avoid potential enforcement actions to be taken by the relevant authorities, the independent review is still on-going and incomplete as of the date of these financial statements.

2a. SPECIAL AUDIT OF THE GROUP (Continued)

(a) Transactions with Global Biotech Medical Inc. Limited ("Global Biotech"), I-Nitra Consulting Limited ("I-Nitra"), Caring Global Health Management (Beijing) Co., Ltd ("Caring Global") (Continued)

Brief response of incumbent management (Continued)

(c) The purported repurchase of health supplements from Global Biotech in February 2020 with a value of approximately S$47,000 has been mischaracterised by the Special Auditor. It was in truth a payment or repayment in kind by Global Biotech as the latter is a debtor of the Group.

(d) Given its inability to determine and conclude that Global Biotech, I-Nitra and Caring Global were related parties or interested persons to the Group, the Special Auditor has characterised the transactions between the Group and these 3 entities as "connected". No reference can be found in the Companies Act, SFRS(I) nor in the Listing Rules in respect of such a turn of phrase. In addition, the Special Auditor has not supplied a definition (and the scope) for such a novel term.

(b) Purchase of wearable technology devices

NF purchased wearable technology devices from Global Biotech in FY2019 for a total sum of approximately S$2.8 million (of which, S$2.4 million had been refunded to the Company, pursuant to a supplemental agreement). The purchase was approved by Mr. Hua Min (then CEO of NF) but the Board of Director's approval was not obtained. Full payment was made in FY2019 before devices were received.

The Special Auditor highlighted that none of the devices had been sold as at 30 March 2020 as they were not customised for the Singapore market. Further, the payment of S$2.8 million was approved by one Mr. Jiang Shao Yang, who was the sole signatory to some of the NF's bank accounts but was not an employee of the Group. Mr. Jiang was taken into criminal custody, together with the Company's previous executive chairman and controlling shareholder, Ms. Lo Ching, by the Yangpu Branch of the Shanghai Public Security Bureau in China on 25 June 2019 and 20 June 2019 respectively.

Brief response of incumbent management

Of the S$2.8 million, S$2.4 million was subsequently recovered by the Company in the next financial year (FY2020). The financial exposure of S$0.4 million was thus fully impaired and/or written off during FY2019.

(c) License fee income

Pursuant to the distribution agreements with NF, Global Biotech and Caring Global agreed to pay licence fees stipulated in the agreements for the exclusive right to sell Nature's Farm's products. NF also granted:

(i) Global Biotech an exclusive license to use the trademark, "Nature's Farm" in Hong Kong and China; and
(ii) Caring Global an exclusive license to use the trademark "Haddrell's of Cambridge" in China.

The Special Auditor noted that "Haddrell's of Cambridge" trademark is registered and owned by Prolife Foods Ltd in New Zealand and it was not certain whether NF has the authority or permission to grant a sublicense to Caring Global. However, the license fee income from Global Biotech and Caring Global in FY2017 ($852,000), and FY2018 ($414,000) were accrued in accordance with the terms of the relevant distribution agreements and recognised in accordance with the applicable accounting standard. Further, the Special Auditor highlighted that whilst the recorded license fee income of $852,000 in FY2017 had been collected in full, the recoverability of the outstanding FY2018 license fee of $369,000 (out of $414,000) was doubtful and a full provision be made in FY2019.

2a. SPECIAL AUDIT OF THE GROUP (Continued)

(c) License fee income (Continued)

Brief response of incumbent management

In line with the Special Auditor's recommendation, the unpaid receivable attributable to FY2018 license fee was fully impaired and/written off during FY2019.

(d) Purchases by Camsing Healthcare (Fuzhou) Medical Instrument Co., Ltd ("CFZ")

CFZ was incorporated on 4 December 2017 in Fuzhou, China. Pursuant to a joint venture agreement dated 30 November 2017, the Company holds 51% of the equity interest in CFZ through NF. The remaining 49% is held by a third-party joint venture partner, Fuzhou Zhongxin Baokang Trading Co., Ltd ("Fuzhou Zhongxin").

In FY2019, CFZ purchased medical supplies worth RMB4.05 million from Beijing Zhongxin Baokang Science & Trade Co., Ltd ("Beijing Zhongxin"), which were then supplied to hospitals. The purchases from Beijing Zhongxin represented 92.2% of CFZ's total purchases for FY2019. The Special Auditor noted that Beijing Zhongxin was a related party as Huang Wenjin (who was the General Manager and a director of CFZ) was the controlling shareholder of both Beijing Zhongxin and Fuzhou Zhongxin.

Based on the findings of the Special Auditor, there was no evidence to suggest that the purchases made by CFZ from Beijing Zhongxin were not bona fide, notwithstanding that CFZ did not have any policies or processes in place for the selection and approval of new vendors, including a process to manage / address any actual or perceived conflict of interest.

Brief response of incumbent management

CFZ was reclassified as an associate during FY2019 and equity accounting method was applied in the preparation of the financial statements for FY2019 (see Notes 5 and 6 for details).

(e) Internal control lapses and compliance issues

The Special Auditor recommended that in light of the numerous internal control lapses and compliance issues that surfaced during their review, the Board and Audit Committee re-assess the adequacy and effectiveness of the internal audit function, and consider the need to entrust the internal audit function to external professionals. These internal control lapses include, inter alia,

(i) the lack of an evaluation and selection process for the appointment of exclusive distributors;
(ii) the lack of an evaluation and approval process for new wholesale customers;
(iii) the lack of policies and procedures relating to the approval of significant transactions;
(iv) the lack of documentation for internal reviews / approvals of agreements or payments;
(v) the lack of policies to address conflicts of interest and insufficient controls / processes in place to identify related party transactions and interested person transactions;
(vi) incomplete / outdated records of authorised bank signatories; and
(vii) authorised bank signatories who were neither employees nor officers of the Group.

2a. SPECIAL AUDIT OF THE GROUP (Continued)

(e) Internal control lapses and compliance issues (Continued)

Brief response of incumbent management

There were no significant wholesale or distribution (sale) transactions during FY2019. The incumbent management has also taken steps to rectify some of the identified internal control lapses. An independent reviewer has been appointed and such the review is still on-going as of the date of these financial statements.

2b. FUNDAMENTAL ACCOUNTING CONCEPT

The Group incurred a net loss for the year of $6.6 million and negative operating cash flows of $1.8 million for the financial year ended 31 January 2019. As at 31 January 2019, the Group had bank borrowings and cash and cash equivalents amounted to approximately $3.4 million and $1.4 million respectively.

By a letter of demand dated 27 August 2019, the bank demanded repayment of bank borrowings (including accrued interest thereon and other charges) amounting to approximately $2.2 million owing by Nature's Farm Pte Ltd ("**NF**"). In or around December 2019, the Group disposed of a leasehold property to make partial repayment of the outstanding indebtedness. Thereafter, the Group managed to seek the agreement of the bank to restructure the borrowings and has since been making monthly instalments to pay down the indebtedness. In September 2021, the Group managed to retire in full the indebtedness owed by NF. As of the date of these financial statements, the Group's remaining outstanding bank indebtedness (including late charges) amounting to approximately $1.0 million pertains to that of another subsidiary, William Jacks & Company (Singapore) Private Limited. The Group has continued to make payment of monthly instalments although it is still in the process of formalizing the repayment plan with the bank for the remaining indebtedness.

The facts and circumstances above indicate the existence of material uncertainties that may cast significant doubts over the ability of the Group and the Company to continue as going concerns. Notwithstanding this, the accompanying financial statements have been prepared on a going concern basis on the following grounds:

(i) In May 2021, the Group obtained an unsecured and interest-free loan of $300,000 from its major shareholder.

(ii) In October 2021, the Group obtained an unsecured working capital loan of $300,000 from an independent party ("the Potential Investor") who has expressed interest in investing in the Company.

(iii) Despite the unprecedented challenges brought about by the COVID-19 pandemic since early 2020, the sole operating subsidiary of the Group, NF, has managed to significantly reduce its operating losses in the subsequent financial year by augmenting the distribution of its products (such as through e-commerce channel) and rationalising its physical outlets to minimise overheads.

(iv) In October 2021, the Company received a signed letter of intent from the Potential Investor setting out the terms of its proposed investment into the Company. There is a clear interest on the part of the said 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 Potential Investor on the terms of their investment and will update shareholders as and when there are any material updates to the same.

(v) The major shareholder has given its undertaking to provide additional financing to the Group as and when the latter requires.

(vi) The Group would generate sufficient cash flows in the next 12 months to enable it to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements are presented in Singapore dollars ($'000).

The preparation of the financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement or complexity, are disclosed in this Note.

For all periods up to and including the year ended 31 January 2018, the financial statements were prepared in accordance with the previous framework, Financial Reporting Standards in Singapore (FRS). These financial statements for the year ended 31 January 2019 are the first set that the Group has prepared in accordance with SFRS(I). Details of first-time adoption of SFRS(I) are included in Note 30.

Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
SFRS(I) 16 *Leases*	1 January 2019
SFRS(I) INT 23: *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to SFRS(I) 9 Financial Instruments: *Prepayment Features with Negative Compensation*	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019
- SFRS(I) 3: *Business Combinations*	1 January 2019
- SFRS(I) 11: *Joint Arrangements*	1 January 2019
- SFRS(I) 1-12: *Income taxes*	1 January 2019
- SFRS(I) 1-23: *Borrowing costs*	1 January 2019
Amendments to SFRS(I) 1-19 Employee Benefits: *Plan Amendment, Curtailment or Settlement*	1 January 2019
Amendments to SFRS(I) 1-28 Investments in Associates and Joint Ventures: *Long-term Interests in Associates and Joint Ventures.*	1 January 2019
Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2020
Amendments to SFRS(I) 3: *Definition of a Business*	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: *Definition of Material*	1 January 2020

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Standards issued but not yet effective (Continued)

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: *Interest Rate Benchmark Reform — Phase 2*	1 January 2021
Amendments to SFRS(I) 16: *Covid-19 -Related Rent Concessions beyond 30 June 2021*	1 April 2021
Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-16: *Property, Plant and Equipment—Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37: *Onerous Contracts—Cost of Fulfilling a Contract*	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I)1 *First-time Adoption of FRS*	
- Amendments to SFRS(I) 9 *Financial Instruments*	
- Amendments to Illustrative Examples accompanying SFRS(I) 1-16 *Leases*	
- Amendments to SFRS(I) 1-41 *Agriculture*	
- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-*	1 January 2023
SFRS(I) 17: *Insurance Contracts*	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a single transaction*	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

Except for SFRS(I) 16, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 16 is described below.

SFRS(I) 16 *Leases*

This new standard on leases brings in a new definition of a lease that will be used to identify whether a contract is, or contains, a lease. For leasees, SFRS(I) 16 reforms leasee accounting by introducing a single model similar to the existing finance lease model. Specifically, lessees are required to recognise all leases on their statements of financial position to reflect their rights to use leased assets and the associated obligations for lease payments, with limited exemptions. However, lessor accounting, with the distinction between operating and finance leases, remains largely unchanged.

Implementation of SFRS(I) 16 will result in almost all leases being recognised on the reporting date, as the distinction between operating and finance leases is removed. The standard will affect primarily the Group's accounting for operating leases. As of 31 January 2019, the Group has non-cancellable operating lease commitments of $6,258,000 (2018: $5,804,000) (Note 26). For short-term leases (lease term of 12 months or less), the Group shall elect to recognise a lease expense on a straight-line basis as permitted by SFRS(I) 16. This expense will be presented within administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Group accounting

(i) Subsidiaries

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

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.

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 it 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 arrangements; 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.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Group accounting (Continued)

(i) Subsidiaries (Continued)

(a) Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

b) Acquisition of businesses

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with SFRS(I) 9 Financial Instruments, or SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Group accounting (Continued)

(i) Subsidiaries (Continued)

b) Acquisition of businesses (Continued)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 Income Taxes and SFRS(I) 1-19 Employee Benefits respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 Share-based Payment at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

(c) Disposals of subsidiaries or businesses

The assets and liabilities of the subsidiary, including any goodwill, are derecognised when a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss. Subsequently, the retained interest is accounted for as an equity-accounted investee or as an financial asset depending on the level of influence retained.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Group accounting (Continued)

(ii) Transactions with non-controlling interests

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(iii) Associates

Associates are entities over which the Group exercises significant influence, but not control, over the financial and operating policy decision, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Investments in associates are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associates represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associates' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associates are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associates, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associates.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associates have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Investments in associates are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in associates in which significant influence are retained are recognised in profit or loss.

Subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Currency translation

(i) Functional and presentation currency

The individual financial statements of each entity are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Singapore dollars, which is the functional currency of the Company.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity in the consolidated financial statements. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(iii) Translation of the Group's financial statements

The assets and liabilities of foreign operations are translated into Singapore dollars at the rate of exchange ruling at the reporting date and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of property, plant and equipment including subsequent expenditure is recognised as an asset if, and only if, 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 repair and maintenance expenses are recognised in profit or loss when incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

After initial recognition, property, plant and equipment except for leasehold property are stated at cost less accumulated depreciation and any accumulated impairment loss.

Leasehold property is subsequently stated at revalued amount less accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such leasehold property is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss.. A revaluation deficit arising on the revaluation of such leasehold property is charged to profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

All items of property, plant and equipment are depreciated using the straight-line method to write-off the cost of the assets over their estimated useful lives as follows:

	Useful lives (Years)
Leasehold property	Over the remaining term of lease
Plant and machinery, furniture and vehicles	3 to 10 years

The estimated useful life and depreciation method are reviewed, and adjusted as appropriate, at each reporting date to ensure that the amount, method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Fully depreciated assets are retained in the financial statements until they are no longer in use.

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 on retirement or disposal is determined as the difference between any sales proceeds and the carrying amounts of the asset and is recognised in the profit or loss within Other income / (expenses) and the asset revaluation reserve related to those assets, if any, is transferred directly to retained earnings.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets (Continued)

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent on those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecasts calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth years.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. This increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit and loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

Financial assets and liabilities (From 1 February 2018 onwards)

(i) Initial recognition and measurement

Trade receivables and debt investments issued are initially recognised when they are originated. Other financial assets and financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Trade receivables without financing component is initially measured at the transaction price in accordance with SFRS(I) 15. Other financial assets or financial liabilities are initially recognised at fair value plus, in the case of financial assets or liabilities not at fair value through profit or loss, directly attributable transaction costs.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets and liabilities (From 1 February 2018 onwards) (Continued)

(ii) Classification and subsequent measurement

Financial assets

Financial assets are classified and subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, at the following categories:

- Amortised costs
- Fair value through Other Comprehensive Income (FVOCI) – Debt investments
- FVOCI – Equity investments
- Fair value through profit or loss (FVPL)

Financial assets are not reclassified after initial recognition unless the Group changes its business model for managing financial assets, in which case such reclassification will be applied prospectively from the reclassification date.

Financial assets at amortised costs

Unless designated at FVPL, financial assets are measured at amortised costs if:

- It is held within a business model with an objective to hold the assets to collect contractual cash flows; and
- Its contractual cash flows comprise of solely principal and interest on the principal amount outstanding

These assets, mainly trade and other receivables including amount due from related parties, cash and cash equivalents, are subsequently measured at amortised costs using the effective interest rate method, which is reduced by impairment losses. Interest income, foreign exchange differences, and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

As at the reporting date, the Group does not have other categories of financial assets except for financial assets at amortised cost.

Financial liabilities

Financial liabilities are subsequently measured at amortised costs unless it is held for trading (including derivative liabilities), or designated as financial liabilities at FVPL on initial recognition to significantly reduce accounting mismatch or when a group of financial liabilities are managed whose performance is evaluated on a fair value basis.

Financial liabilities at amortised costs are subsequently measured at amortised costs using the effective interest rate method. Interest expense and foreign exchange differences are recognised in profit or loss. These financial liabilities mainly comprise trade and other payables including amount due to related parties, and loans and borrowings.

Financial liabilities at FVPL are measured at fair value with net gains and losses (including interest expense) recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

As at the reporting date, the Group does not have other categories of financial liabilities except for financial liabilities at amortised cost.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets and liabilities (From 1 February 2018 onwards) (Continued)

(iii) Derecognition

Financial assets

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial assets. On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the derecognition date and the sum of the consideration received is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of the assets within the period generally established by regulation or convention in the marketplace concerned.

Financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. The Group also derecognise a financial liabilities when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount of the financial liabilities extinguished, or transferred and the consideration paid (including non-cash transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets (From 1 February 2018 onwards)

The Group applies impairment model in SFRS(I) 9 to measure the Expected Credit Losses (ECL) of the following categories of assets:

- Financial assets at amortised costs (including trade receivables)
- Contract assets (determined in accordance with SFRS(I) 15)
- Lease receivables
- Debt investments at FVOCI
- Intragroup financial guarantee contracts

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (From 1 February 2018 onwards) (Continued)

ECLs are probability-weighted estimates of credit losses, which are measured at the present value of all cash shortfalls (difference between the cash flows due to the Group in accordance with the contracts and the cash flows that the Group expects to receive), discounted at effective interest rate of the financial asset. The expected cash flows include cash flows from the sale of collaterals held, if any, or other credit enhancements that are integral to the contractual terms.

Simplified approach

The Group applies simplified approach to all trade receivables and contract asset. Impairment loss allowance is measured at Life time ECL, which represents ECLs that result from all possible default events over the expected life of a financial instrument or contract asset ('life-time ECL'). The Group's ECL assessment is based on historical credit loss experience, adjusted for forward-looking factors specific to those customers and the economic environment.

General approach

The Group applies general approach on all other financial instruments and financial guarantee contracts, and recognise a 12-month ECL on initial recognition. 12-months ECL are ECLs that result from possible default events within 12 months after the reporting date or up to the expected life of the instrument, if shorter.

Impairment loss allowance or reversals are recognised in profit or loss. Loss allowance on financial assets at amortised cost and contract assets are deducted from the gross carrying amount of those asset. Loss allowance on debt investments at FVOCI are recognised in OCI, and does not reduce the carrying amount of the financial assets.

Significant increase in credit risk (Stage 2)
For credit exposures for which there has been a significant increase in credit risk since initial recognition, impairment loss allowance is measured at life-time ECL. When a financial asset is determined to have a low credit risk at reporting date, the Group assumes that there has been no significant increase in credit risk since initial recognition. The Group uses reasonable and supportable forward-looking information available without undue cost or effort to determine, at each reporting date, whether there is significant increase in credit risk since initial recognition. In assessing whether there has been significant increase in credit risks, the Group takes into account factors such as:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor's ability to meet its debt obligations
- actual or expected significant adverse change in the regulatory, economic, or technological environment that are expected to cause a significant change in the debtor's ability to meet its debt obligations
- an actual or expected significant change in the operating results of the debtors

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

If credit risk has not increased significantly since initial recognition or if the credit quality improves such that there is no longer significant increase in credit risk since initial recognition, loss allowance is measured at 12-month ECL.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (From 1 February 2018 onwards) (Continued)

Definition of default
The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligation in full, without recourse by the Group; or
- The financial asset is more than 180 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay the contractual obligations to the Group in full without recourse by the Group.

Credit-impaired (Stage 3)
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy
The Group write off the gross carrying amount of a financial assets to the extent that there is no realistic prospect of recovery, for example when the debtor does not have assets or sources of income hat could generate sufficient cash flows to repay the Group.

Financial assets (Before 1 February 2018)

(i) Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition. Financial assets are initially recognised at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

(ii) Subsequent measurement

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and for held-to-maturity investments, re-evaluates this designation at every reporting date.

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 12 months after the reporting date which are classified as non-current assets. Loans and receivables comprise cash and cash equivalents, trade and other receivables, including amounts due from related parties.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Before 1 February 2018) (Continued)

(ii) Subsequent measurement (Continued)

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of the assets within the period generally established by regulation or convention in the marketplace concerned.

Impairment of financial assets (Before 1 February 2018)

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Before 1 February 2018) (Continued)

(i) Financial assets carried at amortised cost (Continued)

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Financial liabilities (Prior to 1 February 2018)

(i) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

(b) Other financial liabilities

Subsequent to initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when liabilities are derecognised, and through the amortisation process.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Prior to 1 February 2018) (Continued)

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises cost of purchase and those costs that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to be incurred for selling and distribution.

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases, which transfers to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased item or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred. Capitalised lease assets are depreciated over the shorter of the estimated useful life of the asset or the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions

A provision is recognised when the Group has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised as a liability at their fair values, adjusted for transaction costs directly attributable to the issuance of the guarantees.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recorded at fair value, net of transaction costs and subsequently carried for at amortised costs 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. Borrowings which are due to be settled within twelve months after the reporting date are included in current borrowings in the statement of financial position even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share capital

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

Revenue recognition

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Unless otherwise mentioned, the Group concludes that it is acting as a principal in the provision of goods or services in its contracts with customers.

Sale of goods

Revenue from sale of goods and consignment income is recognised at a point in time when the goods are delivered to the customer. When the Company acts in the capacity of an agent rather than a principal in the sale of goods to customers, the revenue recognised is the net amount of commission made by the Group.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Management and license fee income

Management and license fee income is recognised on an accrual basis in accordance with the substance of the relevant agreement. Fees determined on a time basis recognised on a straight-line basis over the period of the agreement.

Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee benefits (Continued)

(ii) Retirement benefits

The Group participates in the national schemes as defined by the laws of the countries in which it has operations.

The Company makes contribution to the Central Provident Fund (CPF) Scheme in Singapore, a defined contribution pension schemes.

(iii) Employee leave entitlement

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

Income tax

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

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been substantially enacted by the reporting date in the countries where the Group operates and generates taxable income. Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised on 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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such 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.

The carrying amount of deferred tax assets is reviewed at each reporting 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 utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

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 the 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 the 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 applies:

(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 ventures of the same third party.
(iv) One entity is a joint venture 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.
(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).
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions, and short term, highly liquid investments readily convertible to known amounts of cash and subjected to an insignificant risk of changes in value.

Segment reporting

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

Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical accounting estimates, assumptions and judgements (Continued)

(i) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over their estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 10 years except for the building which is 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment as at 31 January 2019 is disclosed in Note 4.

(ii) Allowance for inventory obsolescence

Allowance for inventory obsolescence is estimated based on the available facts and circumstances, including but not limited to, the inventories own physical conditions and aging, their market selling prices, and estimated costs to be incurred for their sales. The allowances are re-evaluated and adjusted as additional information received affects the amount estimated. The carrying amount of the Group's inventories as at the end of the reporting period is disclosed in Note 7.

(iii) Impairment of investment in subsidiaries

The Company assesses at each reporting date whether there is an indication that its investment in subsidiaries may be impaired. This requires an estimation of the value in use of the cash generating units. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Based on the assessment, the Company made an impairment loss of $9,294,000 (2018: $4,850,000) during the year to write down the carrying amount of its investment in subsidiaries.

(iv) Impairment of financial assets

Impairment allowance for financial assets measured at amortised costs are applied using the ECL model, which requires assumptions of risk of default and expected loss rates. The Group uses judgement in making these assumptions and determining key inputs to the impairment calculation, taking into account the Group's past history, existing market conditions as well as forward-looking information relating to industry, market development and macroeconomic factors. Expected loss rate is based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The carrying amounts of the Group's trade and other receivables as at the end of the reporting period are disclosed in Note 8.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical accounting estimates, assumptions and judgements (Continued)

(i) Critical accounting estimates and assumptions (Continued)

(v) Valuation of leasehold property

As disclosed in Note 4, the leasehold property is stated at fair value based on the valuation performed by an independent professional valuer. The independent professional valuer determined the fair values based on a method of valuation which involves the use of certain estimates. Management is of the view that the estimates used by the independent professional valuer are reasonable.

(vi) Impairment of property, plant and equipment

The Group assesses at each reporting date whether there is an indication that its property, plant and equipment may be impaired. Where such indicators exist, management has evaluated the value in use of the assets. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the use of the assets. The carrying amount of the Group's property, plant and equipment at 31 January 2019 is disclosed in Note 4.

(ii) Critical judgements in applying the entity's accounting policies

Management is of the opinion that any instances of applications of judgements expected to have a significant effect on the amounts recognised in the financial statements is as follows (apart from those involving estimations, which are dealt with below):

Control over Camsing Healthcare (Fuzhou) Medical Instrument Co., Ltd.

Camsing Healthcare (Fuzhou) Medical Instruments Co., Ltd ("CFZ") was incorporated on 4 December 2017 in Fuzhou, PRC with authorised share capital of RMB45 million (approximately $9 million). Pursuant to an agreement dated 15 December 2017 ("Investment Agreement"), the Group and a third party joint venture partner each agrees to hold equity interest of 51% and 49%, respectively in CFZ and to inject capital proportionately. As of 31 January 2019, the Group's first and second stage capital injection totalling $2 million had been completed, while the capital injection by the joint venture partner is still in progress. Based on the terms of the Investment Agreement, both parties have to inject its relevant capital injection by 21 October 2047.

Management assessed whether the Group has control over CFZ based on the Group's practical ability to direct the relevant activities of CFZ unilaterally. In making their judgement, management considered among other things, the Group's shareholding in Camsing Fuzhou and voting rights in the general meetings.

In FY2018, management concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities of CFZ and therefore has control over CFZ. However, the facts and circumstances surround the operation of CFZ had departed from such initial intention. The significant relevant activities of CFZ were essentially and in substance undertaken and decided upon by the third party joint venture partner without any substantive consultation with or involvement of the Group or the Company's representative on CFZ's Board.

The Group and/or its representatives did not actively participate in the making of any operating and financing policies or decisions of CFZ. Considering the Group did not have control, management assessed and concluded to deconsolidate CFZ and recognise CFZ as an associate effective 1 February 2018 as disclosed in Notes 5 and 6.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold property	Plant and machinery, furniture and vehicles	Total
	$'000	$'000	$'000
Cost			
As at 1 February 2017	1,100	2,966	4,066
Additions	-	821	821
Increase in valuation	150	-	150
Written off	-	(574)	(574)
As at 31 January 2018	1,250	3,213	4,463
As at 1 February 2018	1,250	3,213	4,463
Additions	-	604	604
Deconsolidation of subsidiary	-	(144)	(144)
Disposal / Written off		(923)	(923)
Decrease in valuation	(334)	-	(334)
As at 31 January 2019	916	2,750	3,666
Comprising			
As at 31 January 2018			
At cost	-	3,213	3,213
At valuation	1,250	-	1,250
	1,250	3,213	4,463
As at 31 January 2019			
At cost	-	2,750	2,750
At valuation	916	-	916
	916	2,750	3,666

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group	Leasehold property	Plant and machinery, furniture and vehicles	Total
	$'000	$'000	$'000
Accumulated depreciation			
As at 1 February 2017	-	1,862	1,862
Depreciation charge for the year	28	385	413
Eliminated on revaluation	(28)	-	(28)
Written off	-	(316)	(316)
As at 31 January 2018	-	1,931	1,931
As at 1 February 2018	-	1,931	1,931
Depreciation charge for the year	34	392	426
Disposal / Written off	-	(819)	(819)
As at 31 January 2019	34	1,504	1,538
Impairment			
As at 1 February 2017	-	66	66
Eliminated on disposal	-	(66)	(66)
Impairment loss recognised during the year	-	67	67
As at 31 January 2018	-	67	67
As at 1 February 2018	-	67	67
Impairment loss recognised during the year	-	655	655
As at 31 January 2019	-	722	722
Net carrying amount			
As at 31 January 2019	882	524	1,406
As at 31 January 2018	1,250	1,215	2,465

During the year, the Group carried out an impairment assessment of its plant and machinery, furniture and vehicles using value-in-use basis to determine whether there is any indication of impairment. These assets are used in the Group's health food trade segment. Based on the performance of the outlets, impairment indicators were identified for those outlets with operating losses. The review led to the recognition of an impairment loss on certain plant and machinery, furniture and vehicles of $655,000 (2018: $67,000) in the consolidated profit or loss statement under administrative expenses.

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 January 2019, the leasehold property with net carrying amount of $882,000 (2018: $1,250,000) was pledged as security for the Group's term loan (Note 10).

As at 31 January 2018, a vehicle with net carrying amount of $35,000 that is acquired under finance lease arrangement is pledged as security for the finance lease (Note 11). There were no vehicles acquired under finance lease in 2019.

At 31 January 2019, had the leasehold property been carried at historical cost less accumulated depreciation, the carrying amount would have been approximately $474,000 (2018: $507,000).

Fair value measurement of the Group's leasehold property

As at 31 January 2019, the Group's leasehold property is stated at its revalued amount, being the fair value at the date of revaluation. The fair value measurement of the Group's leasehold property as at 31 January 2018 was performed by Sterling Property Consultants Pte Ltd, an independent valuer not connected with the Group, who has appropriate qualifications and recent experience in the fair value measurement of the property in the relevant location. There was no independent valuation carried out in 2019 and the revaluation amount was based on actual disposal price of the leasehold property subsequent to the reporting period.

The fair value of the leasehold property as of 31 January 2018 was determined based on the direct comparison approach that reflects recent transaction prices for similar properties.

Details of the Group's leasehold property and information about the fair value hierarchy as at 31 January are as follows:

	Level 1	Level 2	Level 3	Fair value as at 31 January 2019
	$'000	$'000	$'000	$'000
Leasehold property	882	-	-	882

	Level 1	Level 2	Level 3	Fair value as at 31 January 2018
	$'000	$'000	$'000	$'000
Leasehold property	-	-	1,250	1,250

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

There were no transfers between the respective levels during the year.

The following table shows the significant unobservable input used in the valuation model for 31 January 2018:

Type	Significant unobservable inputs	Relationship of unobservable inputs and fair value measurement
Leasehold property	Price per square feet of gross floor area of 4,252 square feet is approximately $294	The higher the price per square foot of gross floor area, the estimated fair value increases. An increase of $5 per square foot would increase the estimated fair value by $21,260.

5. INVESTMENT IN SUBSIDIARIES

	Company	
	2019 $'000	2018 $'000
Unquoted equity shares, at cost	33,802	33,802
Impairment losses	(29,730)	(20,436)
	4,072	13,366

Movement in impairment loss on investment in subsidiaries:

	Company	
	2019 $'000	2018 $'000
At beginning of financial year	20,436	15,586
Charge for the year	9,294	4,850
At end of financial year	29,730	20,436

During the financial year, management reviewed the carrying amounts of the Company's investment in subsidiaries using value-in-use basis to determine whether there is any indication of impairment. Management determined that such indicators existed at the end of the reporting period. Accordingly, an impairment loss of $9,294,000 (2018: $4,850,000) was recognised for the year ended 31 January 2019 to write down subsidiaries to its estimated recoverable amount.

5. INVESTMENT IN SUBSIDIARIES (Continued)

Name of companies	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest	
			2019 %	2018 %
Held by Company				
William Jacks & Co. (Singapore) Pte. Ltd. [(i)]	Trading in health foods and supplements	Singapore	100	100
Nutra-Source Pte. Ltd. [(i)]	Trading in health foods and supplements	Singapore	100	100
Jacks Overseas Limited [(ii) (iii)]	Investment holding and management	Bahamas	100	100
William Jacks (Australia) Pty. Ltd.[(ii)]	Investment holding	Australia	100	100
Held through William Jacks & Co. (Singapore) Pte. Ltd.				
Nature's Farm Pte. Ltd.[(i)]	Trading in health foods and supplements	Singapore	100	100
Nature's Farm (Shanghai) Co. Ltd.[(ii)]	Trading in health foods and supplements	People's Republic of China	100	100
Held through Nature's Farm Pte. Ltd.				
Camsing Healthcare (Fuzhou) Medical Instrument Co., Ltd. [(v)]	Trading in medical supplies and medical instrument	People's Republic of China	51 (Note (A))	51
Held through Jacks Overseas Limited				
Wismer Automation (Singapore) Pte. Ltd. [(i)]	Inactive	Singapore	90	90

(i) Audited by Deloitte & Touche LLP, Singapore for FY2018, and by Crowe Horwath First Trust LLP for FY2019. Wismer Automation (Singapore) Pte. Ltd. is a non-wholly owned subsidiary of the Group, is inactive, and has no material non-controlling interest to the Group.

(ii) Not audited for consolidation purpose as the subsidiary is not material.

(iii) Not required to present audited financial statements under the laws of its country of incorporation.

(v) Deconsolidated as a subsidiary to associated company on 1 February 2018.

Note A

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 classification of the Group's investment in CFZ as elucidated below.

5. INVESTMENT IN SUBSIDIARIES (Continued)

Note A (Continued)

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 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 $422,000.

Given the reclassification of CFZ from a subsidiary to an associate, a loss on deconsolidation of a subsidiary of $438,000 was recognised by the Group for FY2019.

After accounting for the share of losses incurred by CFZ and the loss on deconsolidation, the Group further recognised an impairment loss of S$1,058,000 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.

As a result of the above, the Group lost control over CFZ, and classified its 51% shareholdings in CFZ as investment in associate. The effects of deconsolidation of CFZ on the Group's financial statements were:

	Group
	2019
	$'000
Carrying amounts of assets and liabilities disposed of	
Cash and cash equivalents	310
Trade and other receivables	510
Property, plant and equipment (Note 4)	144
Total assets	964
Trade and other payables, representing total liabilities	23
Net assets derecognised	941
Less: Non-controlling interests	(23)
Net assets deconsolidated	918

5. INVESTMENT IN SUBSIDIARIES (Continued)

The aggregate gain or loss and the cash inflows arising from the deconsolidation of CFZ were:

	Group
	2019
	$'000
Net assets disposed of (as above)	918
Remeasurement of retained interest at fair value (Note 6)	(480)
Loss on deconsolidation of subsidiary	438
Cash proceeds	-
Less: Cash and cash equivalents in subsidiary deconsolidated	(310)
Net cash outflow on deconsolidation	(310)

6. INVESTMENT IN ASSOCIATE

	Group	
	2019	2018
	$'000	$'000
Balance at beginning of year	-	-
Remeasurement of retained interest at fair value (Note 5)	480	-
Addition during the year	1,000	-
Share of post-acquisition loss	(422)	-
Impairment loss	(1,058)	-
Balance at end of year	-	-

Details of associate are as follows:

Name of associate	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest	
			2019	2018
			%	%
Camsing Healthcare (Fuzhou) Medical Instrument Co., Ltd.	Trading in medical supplies and medical instrument	People's Republic of China	51	51

The associate was derecognised as a subsidiary and reclassified to an associated company effective 1 February 2018. Refer to Note 5 for details.

6. INVESTMENT IN ASSOCIATE (Continued)

The financial information of the associate is as follows:

	2019 $'000
Revenue	953
Loss from continuing operations, representing total comprehensive income	(827)
Dividend received from associate during the year	-
Non-current assets	736
Current assets	658
Current liabilities	(422)
Net assets	972
Proportion of the Group's ownership interest	51%
Group's share of net assets	496
Impairment	(496)
Carrying amount of the Group's interest in associate	-

7. INVENTORIES

	Group	
	2019 $'000	2018 $'000
Health foods and supplements:		
Raw materials	273	330
Finished goods	1,849	2,789
Goods in transit	-	79
	2,122	3,198
Inventories are stated after deducting allowance for stock obsolescence	108	21

7. INVENTORIES (Continued)

Analysis of allowance for inventory obsolescence:

	Group	
	2019	2018
	$'000	$'000
Balance at beginning of year	21	4
Allowance during the year	87	17
Balance at end of year	108	21
Inventories recognised as an expense in cost of sales	3,877	6,311
Allowance during the year	87	17
Inventory written off	46	14

Allowance for inventories as at 31 January 2019 amounting to $108,000 (2018: $21,000) has been estimated based on the age, historical and expected future usage of inventories.

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Current				
Trade receivables	58	2,791	-	-
Other receivables				
- Rental deposits	62	393	-	-
- Deferred lease payments	33	49	-	-
- Prepayments [1]	2,940	805	23	43
- Sundry receivables [4]	584	414	-	-
- Advances to former directors [2]	63	-	63	-
- Amount due from a subsidiary [3]	-	-	570	-
- Related companies	-	-	-	161
	3,682	1,661	656	204
Loss allowance	(768)	-	-	-
	2,914	1,661	656	204
Non-current:				
- Rental deposits	852	420	-	-
- Deferred lease payments	40	22	-	-
	892	442	-	-

8. TRADE AND OTHER RECEIVABLES (Continued)

(1) Included in the prepayment is an amount $2,800,000 relating to purchase of wearable technology devices from Global Biotech. On 8 January 2019, the Group entered into a Supplemental Agreement to revise the unit cost downwards and increase the number of quantities ordered, together with a revision of contractual terms which included a non-refundable deposit of 10%, instead of payment of the full contract sum, and to provide for unsold devices after one year to be fully refunded. During the financial year, the Group provided for impairment loss of $400,000, net of refund received on 28 March 2019, $2,400,000 from Global Biotech.

(2) Advances to former directors of $63,000 refer to payments made by former management to three former independent directors of the Company purportedly for their directors' fees in respect of the financial year ended 31 January 2019. The payment of such purported directors' fees is strictly subject to the approval of the shareholders of the Company at a general meeting under the Companies Act (Cap 50) and the constitution of the Company. No such approval has yet been procured as of the date of these financial statements. To this end, an ordinary resolution will be proposed at the forthcoming Annual General Meeting of the Company for shareholders' approval.

(3) Amount due from a subsidiary is non-trade, unsecured, non-interest bearing and payable on demand.

(4) Included in Sundry receivables is an amount, $369,000 relating to license fee receivables in which management had provided for impairment loss in current financial year.

The table below is an analysis of trade receivables as at 31 January:

	Group	
	2019	2018
	$'000	$'000
Not past due and not impaired	5	2,774
Past due but not impaired (i)	53	17
	58	2,791
(i) Aging of receivables that are past due but not impaired:		
- Less than 30 days	3	-
- 30 to 60 days	6	7
- 61 to 90 days	19	-
- More than 90 days	25	10
	53	17

The table below is an analysis of sundry receivables as at 31 January:

Not past due and not impaired	216	414

(i) These amounts are stated before any deduction for impairment losses.

	Group	
	2019	2018
	$'000	$'000
Balance at beginning of year	-	-
Impairment during the year	(768)	-
Balance at end of year	(768)	-

8. TRADE AND OTHER RECEIVABLES (Continued)

The average credit period on sales of goods is 30 to 60 days (2018: 30 to 60 days). No interest is charged on overdue amounts. Allowances for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

In determining the recoverability of a trade receivable, the Group considers trade receivables are in default (credit-impaired) when the customers fail to make contractual payments within 180 days when due. When the receivables are overdue for 365 days, the Group will write off the balances and may engage in enforcement activity to recover the balances. Accordingly, the management believes that there are no further credit allowances required in excess of the allowance for doubtful debts.

The concentration of credit risk of the Group's receivables is disclosed in Note 27.

Sundry receivables are non-interest bearing and are generally on 30 to 90 days terms.

Deferred lease payment relates to rental of retail outlets, is initially recognised at fair value. The difference between the fair value and the actual amount paid is carried at the end of the reporting period as a deferred lease expense. The deferred lease expense is recognised as lease expense on a straight line basis over the lease terms ranging from 1 to 3 years (2018: 1 to 3 years). Interest income is recognised over the lease terms on carrying amount of the deposit.

9. TRADE AND OTHER PAYABLES

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Trade payables	373	253	-	-
Other payables				
- Third parties	88	160	12	-
- Accrued operating expenses	321	357	102	79
	409	517	114	79

Trade and other payables are non-interest bearing and are normally settled on 30 to 90 day (2018: 30 to 90 day) terms.

10. INTEREST-BEARING LOANS AND BORROWINGS

	Group	
	2019	2018
	$'000	$'000
Current:		
Term loan, secured	3,400	3,400

10. INTEREST-BEARING LOANS AND BORROWINGS (Continued)

As at 31 January 2019, the Group has short-term loans of $3,400,000 (2018: $3,400,000) which are renewable every three months and bears interest rates between 1.89 % to 1.90 % (2018: 1.89% to 1.90%) per annum.

The short-term loans are secured by specific charges over the Group's leasehold property, corporate guarantee by the Company and standby letter of credit issued by financial institution that is supported by a related party.

Two subsidiaries of the Group have breached certain bank covenants (did not fulfil the minimum consolidated Tangible Net Worth as required by the bank facility contract) and defaulted on the repayment of bank loans amounting to an aggregate of $3,400,000 as at 31 January 2019. As a result, non-current bank loans have been classified to current liabilities in accordance with the requirements of SFRS(I) 1-1 Presentation of Financial Statements.

Consequently, the banks issued a letter of demand dated 27 August 2019 to one of the subsidiaries claiming repayment of $2,205,342 (which includes accrued interests and other charges arising from banking facilities granted to the subsidiary). Subsequent to year end in September 2021, the Group settled an outstanding bank loan amounting to approximately $2,200,000. The Group is still in the process of finalising a repayment plan with the bank for the remaining outstanding balance of approximately $1million as of the date of these financial statements.

11. FINANCE LEASE

	Minimum lease payments		Fair value of minimum lease	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Amounts payable under finance lease:				
Within one year	18	18	18	16
In the second to fifth years inclusive	11	29	9	25
	29	47	27	41
Less: Future finance charges	(2)	(6)		
Present value of lease obligations	27	41		
Less: Amount due for settlement within 12 months			(18)	(16)
Amount due for settlement after 12 months			9	25

The lease terms are for average of 3 years (2018: 3 years). The average effective borrowing rate was 5.5% (2018: 5.5%) per annum. Interest rates are fixed at the contract date and hence expose the Company to fair value interest rate risk. All leases are on fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in Singapore dollars.

The Group's obligations under finance leases are secured by the lessors' title to the leased assets as disclosed in Note 4.

12. PROVISIONS

	Provision for employee entitlement	Provision for reinstatement	Total
	$'000	$'000	$'000
Group			
2019			
At beginning of year	22	257	279
Arising during the year	-	55	55
Utilised	(1)	(84)	(85)
At end of year	21	228	249
2018			
At beginning of year	16	129	145
Arising during the year	22	158	180
Utilised	(16)	(30)	(46)
At end of year	22	257	279

13. DEFERRED TAX

Deferred tax as at 31 January relates to the following:

Deferred tax liabilities / (assets) of the Group and Company	Revaluation of building	Unused tax losses and capital allowance	Difference between tax and accounting depreciation	Others	Total
	$'000	$'000	$'000	$'000	$'000
2019					
At beginning of year	(137)	28	(94)	89	(114)
Charge to other comprehensive income for the year (Note 22)	57	-	-	(43)	14
At end of year	(80)	28	(94)	46	(100)
2018					
At beginning of year	(107)	152	(71)	57	31
Charge to other comprehensive income for the year (Note 22)	(30)	-	-	-	(30)
(Charge) Credit to profit or loss for the year (Note 22)	-	(124)	(23)	32	(115)
At end of year	(137)	28	(94)	89	(114)

13. DEFERRED TAX (Continued)

Group	Assets		Liabilities	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Deferred tax balance	74	117	(174)	(231)

As at the end of the financial year, the Group's subsidiaries have tax losses and capital allowance of approximately $1,071,000 (2018: $2,471,000) that are available for offset against future taxable profits of the companies in which the losses and offsets arose. A deferred tax asset has been recognised in respect of $163,000 (2018: $163,000) of such losses. No deferred tax asset has been recognised in respect of the remaining $908,000 (2018: $2,308,000) due to the uncertainty of its realisation. The use of these tax losses and tax offsets is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

14. SHARE CAPITAL

	2019		2018	
	Number of ordinary shares (in thousands)	$'000	Number of ordinary shares (in thousands)	$'000
Issued and fully paid:				
At beginning and end of the year	30,000	14,250	30,000	14,250

The Company has one class of ordinary shares which carry one vote per share, have no par value and carry a right to dividends as and when declared by the Company.

15. EARNINGS PER SHARE

The calculations of earnings per share are based on the profit for the year and number of shares shown below.

	Group	
	2019 $'000	2018 $'000
(Loss) / Profit attributable to equity holders of the Company	(6,570)	53
Number of shares ('000)	30,000	30,000
(Loss) / Earnings per share - Basic (cents)	(21.90)	0.18

As there are no dilutive potential ordinary shares issued and/or granted, the fully diluted earnings per share is the same as the basic earnings per share.

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

16. RESERVES

i) Foreign currency translation reserve

Exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries to the presentation currency for the consolidated financial statements. The exchange differences are recognised in other comprehensive income and accumulated them in a separate component of equity under the header of foreign currency translation reserve.

ii) Revaluation reserve

Revaluation reserve arises on the revaluation of the Group's leasehold property. When the revalued property is sold, the portion of the property revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to retained earnings.

The revaluation reserve is not available for distribution to the Company's shareholders.

17. REVENUE

	Group	
	2019	2018
	$'000	$'000
Sales of health foods and supplements	8,082	14,912
Consignment income	304	-
	8,386	14,912

All revenue are recognised at point of time upon transfer of goods to customers.

18. INTEREST INCOME

	Group	
	2019	2018
	$'000	$'000
Short-term fixed deposits	19	29

19. OTHER INCOME

	Group	
	2019	2018
	$'000	$'000
Sundry income	112	56
License fee	-	414
	112	470

20. FINANCE COSTS

	Group	
	2019	2018
	$'000	$'000
Bank loan	84	52
Obligations under finance lease	5	2
	89	54

21. PROFIT FOR THE YEAR

The following items have been included in arriving at profit for the year:

	Group	
	2019	2018
	$'000	$'000
Audit fees paid to:		
- Auditors of the Company	85	110
Non-audit fees paid to auditors of the Company	2	26
Employee benefits expense		
- Salaries and bonuses	2,704	2,951
- Central Provident Fund contributions	279	313
Operating leases expense	2,507	2,783
Impairment of property, plant and equipment	655	67
Foreign exchange loss, net	20	26

22. INCOME TAX EXPENSE

Income tax recognised in profit of loss:

	Group	
	2019	2018
	$'000	$'000
Current tax		
Overprovision in prior years	-	-
Deferred tax		
Origination and reversal of temporary differences (Note 13)	-	115
	-	115

Domestic income tax is calculated at 17 % (2018: 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting (loss) / profit as follows:

	Group	
	2019	2018
	$'000	$'000
(Loss) / Profit before tax	(6,571)	122
Tax using the Singapore tax rate of 17% (2018: 17%)	(1,128)	21
Tax effect of		
- different tax rates of subsidiaries operating in other jurisdictions	24	(24)
- Non-deductible expenses	593	98
- Effects of utilisation of tax losses previously not recognised as deferred tax assets	-	(16)
- Deferred tax assets not recognised	511	40
- Others	-	(4)
	-	115

Income tax relating to each component of other comprehensive income:

	Group	
	2019	2018
	$'000	$'000
Deferred tax liability arising from revaluation of leasehold property	57	(30)

23. CASH AND CASH EQUIVALENTS

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Cash at banks and in hand	1,367	2,467	51	793
Fixed deposits	-	2,627	-	2,627
	1,367	5,094	51	3,420

Cash and bank balances of the Group and the Company placed with financial institutions earned an interest rates ranging from 0% to 0.1% (2018: 0% to 0.1%) per annum and is re-priced annually. In 2018, fixed deposits earned interest rate at 1.0% to 1.18% per annum and were rolled over on a 3-month basis. There are no fixed deposits as of 31 January 2019.

24. HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a subsidiary of Creative Elite Holdings Ltd, incorporated in the British Virgin Islands, which is also the Company's ultimate holding company. Related companies in these financial statements refer to members of the holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the Group and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

25. OTHER RELATED PARTY TRANSACTIONS

Some of the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

	Group	
	2019 $'000	2018 $'000
Professional fees paid to an entity where a former independent director of the company is a partner	47	33

25. OTHER RELATED PARTY TRANSACTIONS (Continued)

	Group	
	2019	2018
	$'000	$'000
Compensation of key management personnel		
- Directors' fees [1]	-	63
- Short-term employee benefits	301	284
- Retirement benefit scheme	14	5
	315	352
Comprise amounts paid to:		
- Directors of the Company [1]	-	63
- Other key management personnel	315	289
	315	352

[1] See Advances to former directors as disclosed in Note 8.

[2] 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 related party transactions as the Management is of the view that these three companies are neither interested persons nor related parties, as announced by the Company on 1 September 2021 via SGXNet.

26. COMMITMENTS

(a) Operating lease commitments - as lessee

The Group has entered into commercial leases on certain property, plant and equipment. These leases have an average tenure of between one and three years with renewal option and contingent rent payable is determined based on a pre-determined percentage of revenue. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

	Group	
	2019	2018
	$'000	$'000
Minimum lease payments paid under operating leases	2,437	2,651
Contingent rentals	67	132
	2,504	2,783

26. COMMITMENTS (Continued)

(a) Operating lease commitments - as lessee (Continued)

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2019	2018
	$'000	$'000
Not later than one year	2,739	2,380
Later than one year but not later than five years	3,519	3,075
More than 5 years	-	349
	6,258	5,804

(b) Corporate guarantee

As at 31 January 2018 and 2019, the Company provided a corporate guarantee to a bank for loans (Note 10) taken by a subsidiary. No adjustment was required in the separate financial statements of the Company to recognise the financial guarantee liability as based on expectations at the end of the reporting period, the Group considered that it is more likely than not that no amount will be payable under the arrangement.

27. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Board of Directors reviewed and agreed policies and procedures for the management of these risks. It is, and has been throughout the current and previous financial year the Group's policy that no derivatives shall be undertaken.

The following sections 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. The Group and the Company do not apply hedge accounting.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(i) Market risk

(a) Foreign exchange risk

The Group transacts business in various foreign currencies, including the United States Dollar ("USD") and New Zealand Dollar ("NZD") and therefore is exposed to foreign exchange risk.

27. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

Group 2019	USD	NZD
	$'000	$'000
Financial assets	9	-
Financial liabilities	418	29

Group 2018	USD	NZD
	$'000	$'000
Financial assets	3,218	-
Financial liabilities	244	27

The following table demonstrates the sensitivity to a 5% increase and decrease in the foreign currencies against the Singapore dollar. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

If the relevant foreign currency strengthens by 5% against the Singapore dollar, profit before tax will increase (decrease) by:

Sensitivity analysis for foreign currency risk

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
United States dollars	(20)	149	-	-
New Zealand dollars	(1)	(1)	-	-

27. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(b) 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 arises primarily from their interest-bearing loans and borrowings. The Group obtains additional financing through term loan from banks and leasing arrangements. The Group's policy is to obtain the most favourable interest rates available. Information relating to the Group's interest rate exposure is also disclosed in the notes on the Group's interest-bearing loans and borrowings, and finance lease (Notes 10 and 11).

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit for the year ended 31 January 2019 would decrease/increase by $13,000 (2018: $17,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings;

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

As of 31 January 2018, the Company's current liabilities exceed its current assets by $4,617,000. The Company's current liabilities are mainly due to amounts owing to wholly owned subsidiaries of Nil (2018: $8,162,000). In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows as a whole. The Company's liquidity risk is mitigated as management has the control over the timing and repayment of these financial liabilities arising from amounts due to wholly owned subsidiaries.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

27. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(ii) Liquidity risk (Continued)

Group	Weighted average effective interest rate	On demand or not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	
2019						
Financial liabilities						
Trade and other payables		782	-	-	-	782
Interest-bearing loans and borrowings	1.89 to 1.90	3,464	-	-	(64)	3,400
Finance lease	5.50	18	11	-	(2)	27
		4,264	11	-	(66)	4,209
2018						
Financial liabilities						
Trade and other payables		770	-	-	-	770
Interest-bearing loans and borrowings	1.89 to 1.90	3,464	-	-	(64)	3,400
Finance lease	5.50	18	29	-	(6)	41
		4,252	29	-	(70)	4,211

Company	Weighted average effective interest rate	On demand or not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000
2019						
Financial liabilities						
Other payables, representing total financial liabilities		114	-	-	-	114
2018						
Financial liabilities						
Other payables, representing total financial liabilities		8,241	-	-	-	8,241

The maximum amount the Company could be forced to settle under the corporate guarantee contract, if the full guaranteed amount is claimed by the counterparty to the guarantee is $2,200,000. The earliest period that the corporate guarantee could be called is within 1 year from the end of the reporting period. As mentioned in Note 26, the Group considers that it is more likely than not that no amount will be payable under the arrangement.

27. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Of the receivables balance at the end of the year, $34,000 (2018: $3,112,000) is due from the Group's largest customer. There are no other customers who represent more than 5% of the total balance of the receivables.

Exposure to credit risk

Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, and the exposure to defaults from financial guarantees above, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade and sundry receivables on an on-going basis. The credit risk concentration profile of the Group's trade and sundry receivables at the end of the reporting period is as follows:

Group	$'000		% of total	
Carrying amount	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
By geographical areas				
- Singapore	251	24	92	1
- Others	22	-	8	-
- China	-	3,181	-	99
	273	3,205	100	100

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and bank balances are placed with reputable financial institutions.

Information regarding financial assets that are neither past due nor impaired is disclosed in Note 8.

27. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iv) Financial instruments by category

The following table sets out the financial instruments as at reporting date:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Financial assets at amortised cost	2,658	-	621	-
Loans and receivables (including cash and bank balances)	-	9,112	-	3,581
Financial liabilities at amortised cost	4,209	4,211	114	8,241

Capital risk management policies and objectives

The primary objective of the Group's capital risk management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise 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 payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes since the prior year.

During the year, the Group did not fulfil the minimum consolidated Tangible Net Worth as required by the bank facility contract. Information relating to the Group's borrowings is disclosed in Note 10.

The Group monitors capital using a gearing ratio, which is net cash divided by total capital plus net cash. The Group includes within net cash, interest-bearing loans and borrowings and trade and other payables, less cash and bank balances. The capital structure of the Group consists of interest-bearing loans and borrowings and equity attributable to owners of the parent, comprising issued capital, reserves and retained earnings.

27. FINANCIAL INSTRUMENTS (Continued)

Capital risk management policies and objectives (Continued)

	Note	2019 $'000	2018 $'000
Interest-bearing loans and borrowings	10	3,400	3,400
Trade and other payables	9	782	770
Finance lease	11	27	41
Less: Cash and cash equivalents	23	(1,367)	(2,467)
Less: Fixed deposits	23	-	(2,627)
Net debt		2,842	(883)
Equity attributable to owners of the Company		4,202	11,093
Total capital		7,044	10,210
Gearing ratio (Net debt/Total capital)		0.4	NA

28. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

29. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:

1) The Health Food Trade segment provides distributions and trading in health foods and supplements.

2) The Corporate and others segment includes general corporate income and expense items.

29. SEGMENT INFORMATION (Continued)

	Health Food Trade		Corporate		Total	
	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue						
External customers	8,386	14,912	-	-	8,386	14,912
Results:						
Interest income	-	-	19	29	19	29
Depreciation expense	426	413	-	-	426	413
Impairment loss on PPE	655	67	-	-	655	67
Share of result of associate	422	-	-	-	422	-
Impairment loss on associate	1,058	-	-	-	1,058	-
Other non-cash expenses	615	57	-	-	615	57
Profit (Loss) before tax	(6,362)	367	(209)	(245)	(6,571)	122
Assets:						
Additions to non-current assets	604	821	-	-	604	821
Segment assets	8,695	12,231	138	3,537	8,833	15,768
Segment liabilities	4,533	4,490	99	231	4,632	4,721

Geographical information

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

	Revenue		Non-current asset	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Singapore	8,362	11,113	1,406	2,321
China	-	3,799	-	144
Others	24	-	-	-
	8,386	14,912	1,406	2,465

Non-current assets information presented above represent property, plant and equipment as presented in the statement of financial position.

Information about major customers

Included in revenue arising from sales of health foods and supplements are revenues of approximately $31,000 (2018: $3,799,000) which arose from sales to the Group's largest customer. There were no other customers (2018: Nil) which revenues from transactions with a single customer amount to 10% or more. There were no inter-segment sales in the year (2018: Nil).

30. EXPLAINATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS

Transition and first-time adoption of Singapore Financial Reporting Standards (International)

The Group and the Company adopted the new financial reporting framework – Singapore Financial Reporting Standards (International) ("SFRS(I)") for the first time for the financial year ended 31 January 2019 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied in the first set of SFRS(I) financial statements. SFRS(I) is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

As a first-time adopter of SFRS(I), the Group and the Company have applied retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (31 January 2019), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ended 31 January 2019, an additional opening statement of financial position as at date of transition (1 February 2017) is presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are presented for equity as at date of transition (1 February 2017) and as at end of last financial period under FRS (31 January 2018), and for total comprehensive income and cash flows reported for the last financial period under FRS (for the year ended 31 January 2018). Additional disclosures are made for specific transition adjustments if applicable.

There is no change to the Group's and the Company's previous accounting policies under FRS or material adjustments on the initial transition to the new framework, other than those arising from the application of SFRS(I) 9 and SFRS(I) 15, which are effective at the same time, and the election of certain transition options available under SFRS(I) 1.

(a) SFRS(I) 1

In adopting SFRS(I) in 2019, 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 as at 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 considers that restating FCTR to comply with current SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* may not be practicable as the acquisition of the subsidiary was transacted at a date that preceded the statutory record keeping period. 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 $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 $3,950,000 and retained earnings decreased by the same amount as at 31 January 2018.

30. EXPLAINATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS (Continued)

(b) SFRS(I) 9

Classification and measurement of financial assets

All recognised financial assets that are within the scope of SFRS(I) 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, at the following categories:

- Amortised costs
- Fair value through profit or loss (FVPL)
- Fair value through Other Comprehensive Income (FVOCI) – Debt investments
- FVOCI – Equity investments

SFRS(I) 9 eliminates the previous categories of financial assets, namely loans & receivables (L&R), held-to-maturity (HTM) financial assets and available-for-sale (AFS) financial assets. As required by SFRS(I) 1, the Group adopts the classification and measurement categories on 1 February 2018 based on facts and circumstances existed at the date for the determination of the business model, and as allowed by SFRS(I) 1 and 9, does not restate comparative information for prior periods. There is no difference in carrying amounts of financial assets resulting from adoption of SFRS(I) 9 as at 1 February 2018.

The Group and the Company does not own any equity or debt investment other than investments in subsidiaries and associate. The financial assets of the Group and the Company mainly comprise trade and other receivables, including amount due from related parties, and cash and cash equivalents. These are previously classified as loans and receivables under SFRS 39 and is now classified as financial assets at amortised costs under SFRS(I) 9.

There were no financial assets or financial liabilities which the Group had previously designated as at FVTPL under SFRS 39 that were subject to reclassification, or which the Group has elected to reclassify upon the application of SFRS(I) 9. There were no financial assets or financial liabilities which the Group has elected to designate as at FVPL on 1 February 2018 upon the adoption of SFRS(I) 9.

Impairment of financial assets

The "incurred loss" model in FRS 39 was replaced by the "Expected Credit Losses (ECL)" model in SFRS(I) 9, which applies to financial assets measured at amortised costs, FVOCI (debt investment), contract assets and intragroup financial guarantee contracts. Impairment loss for trade receivables are provided using the simplified approach at the life time ECL. For assets within the scope of SFRS(I) 9 impairment model, impairment losses are generally expected to be provided at a higher amount and earlier than what was provided using FRS 39.

(c) SFRS (I) 15

SFRS(I) 15 establishes a single comprehensive model in accounting for revenue arising from contracts with customers, and will supersede the revenue recognition guidance including FRS 18 Revenue, FRS 11 Construction Contracts and the related Interpretations.

The core principle of SFRS(I) 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers. The adoption of SFRS(I) 15 has no material impact on the Group's revenue recognition of sales of goods.

30. EXPLAINATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS (Continued)

Reconciliation of the Group's equity

The following reconciliations summarise the impacts on initial application of SFRS(I) 1 on the Group's financial position as at 1 February 2017, 31 January 2018 and 1 February 2018. There were no material adjustments arising from the adoption of SFRS(I) 15 and SFRS(I) 9 and to the Group's statement of comprehensive income and statement of cash flows for the year ended 31 January 2018 arising on transition to SFRS(I)s.

	Note	1 February 2017		
		FRS framework $'000	SFRS(I) 1 $'000	SFRS(I) framework $'000
Equity				
Share capital		14,250	-	14,250
Foreign currency translation deficit	30 (a)	(3,950)	3,950	-
Revaluation reserve		519	-	519
Accumulated losses	30 (a)	47	(3,950)	(3,903)
Total equity		10,866	-	10,866

	Note	31 January 2018 / 1 February 2018		
		FRS framework $'000	SFRS(I) 1 $'000	SFRS(I) framework $'000
Equity				
Share capital		14,250	-	14,250
Foreign currency translation reserve / (deficit)	30 (a)	(3,924)	3,950	26
Revaluation reserve		667	-	667
Accumulated losses	30 (a)	100	(3,950)	(3,850)
Equity attributable to owners of the Company		11,093	-	11,093
Non-controlling interests		(46)	-	(46)
Total equity		11,047	-	11,047

31. SUBSEQUENT EVENTS

Since January 2020, the COVID-19 outbreak has brought uncertainties to the Group's operating environment and adversely affected the business and economic activities of the Group. The Group has continued to closely monitor the impact of the outbreak, macroeconomic development, and put in place measures to mitigate the impact. As the situation is evolving, the full effect of the outbreak is as yet unknown, and will depend on how long the pandemic lasts and how quickly the economic is able to recover.

The critical estimates and assumptions made by the Group concerning the future is estimated based on the facts and circumstances existing at the reporting date in which the effect of COVID-19 outbreak had not been factored in as it is an event subsequent to the reporting date. COVID-19 will have an adverse impact on the key assumptions concerning impairment of non-financial assets, impairment of financial assets, allowance for inventory obsolescence and recognition of deferred tax assets in financial year ended 31 January 2020.

Other than the aforesaid and those events and/or information that have been disclosed in other parts of the financial statements, as well as the public announcements made on the SGXNet (mainly pertaining to the various Notices of Compliance issued by SGX RegCo, changes in the board compositions and changes in the office of statutory auditors), there are no other material events after the end of the reporting period.

ANALYSIS OF SHAREHOLDINGS

As at 9 December 2021

Class of equity securities	:	Ordinary Shares
Number of issued shares	:	29,999,993
Number of issued shares excluding treasury shares and subsidiary holdings	:	29,999,993
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil
Voting rights	:	One (1) vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of Shareholders	%	No. of Shares	%
1 to 99	33	10.75	499	0.00
100 to 1,000	171	55.70	118,218	0.39
1,001 to 10,000	76	24.76	248,200	0.83
10,001 to 1,000,000	25	8.14	3,383,656	11.28
1,000,001 AND ABOVE	2	0.65	26,249,420	87.50
TOTAL	307	100.00	29,999,993	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1.	CREATIVE ELITE HOLDINGS LIMITED	25,008,120	83.36
2.	MAYBANK KIM ENG SECURITIES PTE. LTD.	1,241,300	4.14
3.	CITIBANK NOMINEES SINGAPORE PTE LTD	838,100	2.79
4.	GOLDEN AGE CONSULTANCY LIMITED	600,000	2.00
5.	LEE TAT KWONG (LI DAGUANG)	514,600	1.71
6.	OCBC SECURITIES PRIVATE LTD	501,000	1.67
7.	PHILLIP SECURITIES PTE LTD	277,700	0.93
8.	PEH CHIN CHIONG	130,000	0.43
9.	GOH POH CHOO	80,000	0.27
10.	LIM THIAN HOCK @ LIM THIAM HOCK	69,000	0.23
11.	YIT TENG YUET	44,000	0.15
12.	KHOO SWEE KWANG	40,000	0.13
13.	LU SHUISHAN	36,000	0.12
14.	LIM TIEW FANG	33,000	0.11
15.	CHONG CHIN CHIN (ZHANG JINGJING)	32,000	0.11
16.	CHONG KIAN CHUN (ZHANG JIANJUN)	32,000	0.11
17.	MANOHAR P SABNANI	20,000	0.07
18.	CHNG KAI PENG	18,000	0.06
19.	OU YANG YAN TE	16,656	0.05
20.	WONG LEONG KEE	15,000	0.05
	Total:	29,546,476	98.49

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Based on the information available to the Company, approximately 16.64% of the Company's equity securities are held in the hands of the public. This is in compliance with Rule 723 of the Listing Manual of the SGX-ST which requires at least 10% of a listed issuer's equity securities to be held by the public.

SUBSTANTIAL SHAREHOLDERS

		Direct Interest		Deemed Interest	
Name of Substantial Shareholder	**Note**	**No. of Shares**	**%**	**No. of Shares**	**%**
Lo Ching	(1)	–	–	25,008,120	83.36
Creative Elite Holdings Limited		25,008,120	83.36	–	–

Note:

(1) Mdm Lo Ching is deemed to have an interest in 25,008,120 ordinary shares in the capital of the Company held by Creative Elite Holdings Limited ("CEHL") through her 100% shareholding in CEHL.

LIST OF PROPERTIES
HELD

As at 31 January 2019

Location	Description	Site Area (sq. metre)	Tenure	% Interest	Net book value as at 31 January 2019
SINGAPORE					
18 Kaki Bukit Road 3* #05-16, Entrepreneur Business Centre, Singapore 415978	Office	395	Leasehold - Expiring 08/01/2055	100%	S$882,000

*The property was disposed of in financial year ended 31 January 2020.

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the shareholders of Camsing Healthcare Limited ("**Company**") will be held by way of electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS) at 10.00 a.m. on 31 December 2021 to transact the following business:

This Notice along with its accompanying Proxy Form has been made available on SGXNet which may be accessed at the URL: http://www.sgx.com/securities/company-announcements. **A printed copy of this Notice and the accompanying Proxy Form will NOT be despatched to Shareholders**.

AS ORDINARY BUSINESS

1. To receive and, if approved, adopt the Audited Accounts for the financial year ended 31 January 2019 together with the Directors' Report and Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees to Independent Directors of up to S$62,028 for the financial year ended 31 January 2019.
[See Explanatory Notes (i)] **(Resolution 2)**

3. To approve the payment of Directors' fees to Independent Directors of up to S$82,581 for the financial year ended 31 January 2020.
[See Explanatory Notes (ii)] **(Resolution 3)**

4. To approve the payment of Directors' fees to Independent Directors of up to S$96,000 for the financial year ended 31 January 2021.
[See Explanatory Notes (iii)] **(Resolution 4)**

5. To approve the payment of Directors' fees to Independent Directors of up to S$118,000 for the financial year ending 31 January 2022.
[See Explanatory Notes (iv)] **(Resolution 5)**

6. To approve the payment of Directors' fees to Independent Directors of up to S$240,000 for the financial year ending 31 January 2023, to be paid quarterly in advance.
[See Explanatory Notes (v)] **(Resolution 6)**

7. To re-elect Ms. Liu Hui who is retiring under Articles 90 and 91 of the Constitution, as Director of the Company.
[See Explanatory Notes (vi)] **(Resolution 7)**

8. To re-elect Mr. Yeo Choon Tat who is retiring under Article 96 of the Constitution, as Director of the Company.
[See Explanatory Notes (vii)] **(Resolution 8)**

9. To re-appoint Messrs. Crowe Horwath First Trust LLP as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 9)**

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

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution (with or without amendments) as Ordinary Resolution:-

11. **General Mandate to allot and issue new shares in the capital of the Company**

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

(a) (i) issue shares in 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 of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority 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 to be held, whichever is earlier.

[See Explanatory Notes (viii)] **(Resolution 10)**

By Order of the Board

Lim Kok Meng
Company Secretary

16 December 2021

Explanatory Notes:

(i) The Company proposes to pay the former Independent Directors (comprising Messrs Ong Wei Jin, Maurice Tan Huck Liang and Lau Chin Hock Kenneth Raphael) who had held office during the financial year ended 31 January 2019 an aggregate sum of S$62,028, as Directors' fees for the financial year ended 31 January 2019.

Basis: As the former Independent Directors had already been paid an aggregate sum of S$62,028 in advance of the forthcoming AGM, the Company is now seeking its Shareholders' approval of the same.

(ii) The Company proposes to pay the former Independent Directors (comprising Messrs Tay Chiew Sheng, Lim Heng Huat and Patel Anand Rameshchandra) who had held office during the financial year ended 31 January 2020 an aggregate sum of S$82,581 as Directors' fees for the financial year ended 31 January 2020.

Basis: The sum of S$82,581 was estimated based on the actual monthly payments made by the former management to these former Independent Directors. The incumbent management and Directors are making this proposal in good faith as there is no other documentary evidence or records supporting the amount of Director's fees attributable to each of these former Independent Directors.

Of the proposed sum of S$82,581, the former Independent Directors had been paid a total sum of S$58,581 in advance of the forthcoming AGM. Hence, the Company is now seeking its Shareholders' approval of the full sum of S$82,581.

(iii) The Company proposes to pay the former Independent Directors (comprising Messrs Tay Chiew Sheng, Lim Heng Huat and Patel Anand Rameshchandra) who had held office during the financial year ended 31 January 2021 an aggregate sum of S$96,000 as Directors' fees for the financial year ended 31 January 2021.

Basis: The amount of proposed Directors' fees is estimated on the same basis as that for the financial year ended 31 January 2020 for the same batch of Independent Directors.

(iv) The Company proposes to pay the former Independent Directors (comprising (a) Messrs Tay Chiew Sheng, Lim Heng Huat and Patel Anand Rameshchandra, each of whom had held office until March 2021; and (b) Tan Chade Phang and Koh Boon Chiao, each of whom had held office between March to September 2021), the incumbent Independent Director (comprising Mr. Yeo Choon Tat) and such other Independent Director(s) who will be holding office during the financial year ending 31 January 2022 an aggregate sum of S$118,000.

Basis:

(1) The proposed Directors' fees of the three former Independent Directors (comprising Messrs Tay Chiew Sheng, Lim Heng Huat and Patel Anand Rameshchandra) is estimated on the same basis as that for the financial years ended 31 January 2020 and 2021 for the same batch of Independent Directors;

(2) The proposed Directors' fees for the two former Independent Directors (comprising Messrs Tan Chade Phang and Koh Boon Chiao) is estimated having regard to their experience, credentials, level of responsibilities and contributions to the Company during the tenure of their office ;

(3) The proposed Directors' fees for Messrs Yeo Choon Tat and such other Independent Directors are estimated having regard to their experience, credentials, level of responsibilities and contributions to the Company. The Company has proposed the appointment of two additional Independent Directors for approval by the Singapore Exchange Regulation. Upon approval by Singapore Exchange Regulation of the proposed appointments, the Board will comprise three Independent Directors.

(v) The Company proposes to pay the Independent Directors (comprising Messrs Yeo Choon Tat and such other Independent Director(s) who may be appointed) who will be holding office during the financial year ending 31 January 2023 an aggregate sum of S$240,000, as Directors' fees for the financial year ended 31 January 2023, to be paid to each Independent Director quarterly in advance.

Basis:

(1) The amount of proposed Directors' fees for the financial year ending 31 January 2023 is estimated on the basis that the Board will comprise three Independent Directors on or around the beginning of the financial year ending 31 January 2023 and that extensive involvement of the Independent Directors are expected for the financial year ending 31 January 2023.

(2) The Company has proposed the appointment of two additional Independent Directors for approval by the Singapore Exchange Regulation. Upon approval by Singapore Exchange Regulation of the proposed appointments, the Board will comprise three Independent Directors.

(vi) Ms. Liu Hui will, upon re-election as a Director of the Company pursuant to Ordinary Resolution 7 in item 7 above, remain as the Executive Director of the Company.

(vii) Mr. Yeo Choon Tat will, upon re-election as a Director of the Company pursuant to Ordinary Resolution 8 in item 8 above, remain as Chairman of the Audit Committee, the Nominating Committee and the Remuneration Committee. He will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

(viii) Ordinary Resolution 10 in item 11 above, 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 the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

On 16 March 2021, SGX Regco announced an update to its news release issued on 8 April 2020 which allows Mainboard issuers to seek or renew a general mandate for an issue of shares and convertible securities of up to an aggregate of 100% of its issued shares (excluding treasury shares and subsidiary holdings), versus up to 50% previously (the "Enhanced Share Issue Limit"). In accordance with the updated announcement, the Enhanced Share Issue Limit will expire at the conclusion of the next annual general meeting or on the date by which the next annual general meeting is required by law or the Listing Manual of SGX-ST to be held, whichever is earlier and by which date any shares issued pursuant to the Enhanced Share Issue Limit must be listed, and no further shares may be issued under this limit.

The Company is proposing to avail itself to the Enhanced Share Issue Limit and accordingly is seeking shareholders' approval for the same at the AGM. The Board of Directors is of the view that it would be in the interests of the Company and its shareholders to do so in the event that circumstances evolve before the next annual general meeting for the financial year ending 31 January 2022 amid the Covid-19 situation to such an extent that a 50% limit for pro rata issue of shares is not sufficient to meet the Company's needs. Under such circumstances, fund raising efforts would be unnecessarily hampered and compromised in view of the time needed to obtain shareholders' approval for the issue of shares above the 50% threshold.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX- ST, and any subsequent bonus issue, consolidation or subdivision of shares.

Notes:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

2. Due to the current COVID-19 restriction orders in Singapore, members will not be able to attend the AGM in person. Members will be able to watch the proceedings of the AGM through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, members who wish to watch the "live" webcast or listen to the "live" audio feed must pre-register by 10.00 am on 28 December 2021 at the pre-registration website at the URL: https://globalmeeting.bigbangdesign.co/camsing2021agm/. Following authentication of their status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the AGM by 3.00 pm on 29 December 2021. Members who do not receive an email by 3.00 pm on 29 December 2021, but have registered by 10.00 am on 28 December 2021 should contact the Company's webcast vendor via email at webcast@bigbangdesign.co.

   Persons holding shares through relevant intermediaries who wish to participate in the AGM via webcast should contact their relevant intermediaries through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

3. Members who pre-register to watch the "live" webcast or listen to the "live" audio feed may also submit questions relating to the resolution to be tabled for approval at the AGM during the pre-registration process for the AGM. Please note that members will not be able to ask questions at the AGM "live" during the webcast and the audio feed.

   All questions must be submitted by 10.00 a.m. on 28 December 2021.

   The Company will address substantial questions relevant to the resolution to be tabled for approval at the AGM as received from Shareholders either before or during the AGM. The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNet.

4. A member will not be able to attend the AGM in person. Members (whether individuals or corporates) who wish to exercise their voting rights at the AGM must appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at the AGM. In appointing the Chairman of the AGM as proxy, members (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

5. The Chairman of the AGM, as proxy, need not be a member of the Company.

6. The instrument appointing the Chairman of the AGM as proxy must:

   (a) if sent personally or by post, be received at the registered office of the Company at 24 Raffles Place, #20-03 Clifford Centre, Singapore 048621; or

   (b) if submitted by email, be received by the Company, by email at enquiry.camsing@naturesfarm.com,

   in either case no later than 10.00 am on 29 December 2021, and in default the instrument of proxy shall not be treated as valid. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

7. The Annual Report has been made available on SGXNet and may be accessed at https://www.sgx.com/securities/company-announcements.

8. The instrument appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.

9. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the instrument of proxy, failing which the instrument may be treated as invalid.

10 The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

11. In the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Important Reminders

Due to the constantly evolving COVID-19 situation, the Company may be required to change its AGM arrangements at short notice. Members are advised to regularly check the announcements released on SGXNet for updates on the AGM. Further, in view of the current COVID-19 measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

Personal data privacy:

By (a) submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, (b) completing the pre-registration in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing, administration and analysis by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as proxy for the AGM (including any adjournment thereof);

(ii) processing of the pre-registration for purposes of granting access to members to the "live" webcast or "live" audio feed of the AGM proceedings and providing them with any technical assistance where necessary;

(iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;

(iv) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

ADDITIONAL INFORMATION
ON DIRECTORS PROPOSED FOR RE-ELECTION

Ms. Liu Hui, who is retiring pursuant to Articles 90 and 91 of the Company's Constitution and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and Mr. Yeo Choon Tat, who is retiring pursuant to Article 96 of the Company's Constitution, will be seeking re-election at the forthcoming annual general meeting ("**AGM**") of the Company scheduled to be held by way of electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS) at 10.00 am on 31 December 2021 under Resolutions 7 and 8 respectively as set out in the Notice of AGM dated 16 December 2021.

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Directors proposed for re-election and appointment set out in Appendix 7.4.1 as required under the Listing Manual of the SGX-ST is disclosed in the tables below.

Name of Director	**Ms. Liu Hui**	**Mr. Yeo Choon Tat**
Date of Appointment	19 November 2015	22 June 2021
Date of last re-appointment (if applicable)	28 May 2018	Not applicable
Age	51	68
Country of principal residence	China	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Not applicable	Not applicable
Whether appointment is executive, and if so, the area of responsibility	Executive Ms. Liu Hui is responsible for developing and directing organizational strategy as well as overseeing day-to-day business and corporate activities.	Independent and non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Executive Director • Member of the Board of Directors	• Independent, Non-Executive Director • Chairman of the Audit Committee, the Nominating Committee and Remuneration Committee
Professional Qualifications	• EMBA Degree, HEC Business School	• Bachelor of Accountancy, NUS • Fellow member of the Institute of Singapore Character Accountants (FCA Singapore) • Fellow member of CPA Australia (FCPA) • Fellow member of ACCA United Kingdom (FCCA)
Working experience and occupation(s) during the past 10 years	<u>May 2020 to Present</u> • Beijing Zhiheng Internet Technology Private Limited – Deputy General Manager <u>Jan 2016 to Present</u> • Camsing International Holding Limited (MH Development Limited) – Executive Director	<u>April 2019 to April 2020</u> • Creatanium Holding Pte. Ltd. - Chief Financial Officer <u>December 2016 to March 2019</u> • China Star Food Group Ltd. - Chief Financial Officer

ADDITIONAL INFORMATION
ON DIRECTORS PROPOSED FOR RE-ELECTION

Name of Director	**Ms. Liu Hui**	**Mr. Yeo Choon Tat**
	2012 to 2018 ● Camsing Global Group – Vice President	January 2014 to September 2016 ● Intraco Limited - Group Financial Controller September 2008 to December 2013 ● Smartflex Holdings Ltd. - Financial Controller
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	Directorships Nil	Directorships ● Intraco Foods Pte. Ltd. ● Intraco International Pte. Ltd. ● K.A. Building Construction Pte. Ltd. ● K.A. Fabric Shutters Pte. Ltd. ● K.A. Firelite Pte. Ltd. ● K.A. Fireproofing Pte. Ltd. ● K.A. Group Holding Pte. Ltd. ● K.A. Vermiculite Spray Sdn. Bhd. ● Tat Hong Intraco Pte. Ltd. ● Tat Hong Intraco Heavy Equipment Company Limited Other Principal Commitments ● April 2019 to April 2020: Creatanium Holding Pte. Ltd. - Chief Financial Officer ● December 2016 to March 2019: China Star Food Group Ltd. - Chief Financial Officer ● January 2014 to September 2016: Intraco Limited - Group Financial Controller

ADDITIONAL INFORMATION
ON DIRECTORS PROPOSED FOR RE-ELECTION

Name of Director	Ms. Liu Hui	Mr. Yeo Choon Tat
Present	• Camsing International Holding Limited (MH Development Limited) • Camsing Healthcare Limited	• Camsing Healthcare Limited
Information required pursuant to Rule 704(7) of the Listing Manual of the SGX-ST		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

Name of Director	Ms. Liu Hui	Mr. Yeo Choon Tat
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

ADDITIONAL INFORMATION
ON DIRECTORS PROPOSED FOR RE-ELECTION

Name of Director	Ms. Liu Hui	Mr. Yeo Choon Tat
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer or prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable	Not applicable

CAMSING HEALTHCARE LIMITED

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

PROXY FORM

Annual General Meeting

This form of proxy has been made available on SGXNet and may be accessed at the URLs https://www.sgx.com/securities/company-announcements. A printed copy of this form of proxy will NOT be dispatched to members.

IMPORTANT

1. Due to the current COVID-19 restriction orders in Singapore, members will not be able to attend the AGM in person. Members will be able to watch the proceedings of the AGM through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, members who wish to watch the "live" webcast or listen to the "live" audio feed must pre-register by 10.00 am on 28 December 2021, at https://globalmeeting.bigbangdesign.co/camsing2021agm/. Following authentication of their status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the AGM by 3.00 pm on 29 December 2021. Members who do not receive an email by 3.00 pm on 28 December 2021 should contact the Company's webcast vendor by email at webcast@bigbangdesign.co.
2. CPF/SRS Investors who wish to appoint the Chairman of the AGM as a proxy should approach their respective CPF Agent Banks/ SRS Operators to submit their voting instructions by at least 7 working days before the AGM. This Proxy Form is not valid for use by CPF/SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS Investors.
3. By (a) submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (and his appointed proxy(ies)) consents to the collection, use and disclosure of their personal data by the Company (or its agents or service providers) for such purposes and/or otherwise with the personal data privacy terms set out in the Notice of Annual General Meeting dated 16 December 2021.

I/We* _____ (Name) _____ (NRIC/Passport No.*)

of _____ (Address)
being a member/members* of Camsing Healthcare Limited ("**Company**"), hereby appoint the Chairman of the annual general meeting of the Company ("**AGM**"), as my/our* proxy to vote for me/us* on my/our* behalf at the AGM to be held by way of electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS) at 10.00 am on 31 December 2021 and at any adjournment thereof.

I/We* have indicated with an "X" in the appropriate box against each item below on how I/we* wish the Chairman of the AGM as my/our* proxy to vote, or to abstain from voting.

No.	Resolutions relating to:	For	Against	Abstain
Ordinary Business				
1.	Adoption of Audited Accounts for the financial year ended 31 January 2019 together with the Directors' Report and Auditors' Report thereon			
2.	Payment of Directors' fees to Independent Directors of S$62,028 for the financial year ended 31 January 2019			
3.	Payment of Directors' fees to Independent Directors of S$82,581 for the financial year ended 31 January 2020			
4.	Payment of Directors' fees to Independent Directors of S$96,000 for the financial year ended 31 January 2021			
5.	Payment of Directors' fees to Independent Directors of S$118,000 for the financial year ending 31 January 2022			
6.	Payment of Directors' fees to Independent Directors of S$240,000 for the financial year ending 31 January 2023, to be paid quarterly in advance			
7.	Re-election of Ms. Liu Hui as a Director of the Company			
8.	Re-election of Mr. Yeo Choon Tat as a Director of the Company			
9.	Re-appointment of Messrs Crowe Horwath First Trust LLP as the Auditors of the Company and authorise the Directors to fix their remuneration			
Special Business				
10.	Authority to Directors to allot and issue new shares pursuant to Section 161 of the Companies Act, Cap. 50, of Singapore			

Notes: Voting will be conducted by poll. If you wish the Chairman of the AGM as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For or "Against" box provided in respect of that resolution. If you wish the Chairman of the AGM as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the AGM as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of Chairman of the AGM as your proxy for that resolution will be treated as invalid.

Dated this _____ day of _____ 2021

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s) and/or
Common Seal of Corporate Shareholder

**Delete where inapplicable*

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

NOTES:

IMPORTANT

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

2. Due to the current COVID-19 restriction orders in Singapore, members will not be able to attend the AGM in person. Members will be able to watch the proceedings of the AGM through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, members who wish to watch the "live" webcast or listen to the "live" audio feed must pre-register by 10.00 am on 28 December 2021, at https://globalmeeting.bigbangdesign.co/camsing2021agm/. Following authentication of their status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the AGM by 3.00 pm on 29 December 2021. Members who do not receive an email by 3.00 pm on 29 December 2021, but have registered by 10.00 am on 28 December 2021, should contact the Company's webcast vendor by email at webcast@bigbangdesign.co.

3. The Chairman of the AGM, as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the AGM as proxy must:

   (a) if sent personally or by post, be received at the registered office of the Company at 24 Raffles Place, #20-03 Clifford Centre, Singapore 048621; or

   (b) if submitted by email, be received by Camsing Healthcare Ltd., by email at enquiry.camsing@naturesfarm.com,

   in either case no later than 10.00 am on 29 December 2021, and in default the instrument of proxy shall not be treated as valid. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

5. The instrument appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.

6. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the instrument of proxy, failing which the instrument may be treated as invalid.

7. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

8. In the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

9. Similarly, a member of the Company who holds his/her shares through a Relevant Intermediary* (including CPF and SRS investors) and who wish to exercise his/her votes by appointing the Chairman of the AGM as proxy should approach his/her Relevant Intermediary (including his/her CPF Agent Banks and SRS Operators) to submit his/her voting instructions at least seven (7) working days prior to the date of the AGM.

   *A Relevant Intermediary means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Important Reminders

Due to the constantly evolving COVID-19 situation, the Company may be required to change its Annual General Meeting arrangements at short notice. Members are advised to regularly check the announcements released on SGXNet for updates on the Annual General Meeting. Further, in view of the current COVID-19 measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

Camsing Healthcare Limited
24 Raffles Pl, #20-03 Clifford Centre, Singapore 048621