CAMSING HEALTHCARE

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

Annual Report

FOR THE FINANCIAL YEAR ENDED ***31 JANUARY 2016***

Contents

Corporate Profile

Camsing Healthcare Limited ("Camsing Healthcare") was incorporated in Singapore on 19 December, 1979 under the name of Jacks International Limited. On 28 March, 2016, the company changed its name to Camsing Healthcare Limited to signal an expansion of the company's business into broader investment in healthcare services.

Camsing Healthcare conducts investment activities in healthcare related business and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited. The current principal activities of the Group are in the distribution and retailing of health supplements and foods in Singapore, Brunei and China.

Nature's Farm Pte Ltd

With more than 30 years of unrivalled passion and commitment in the specialty health supplement industry, Nature's Farm® stands as one of the leading health supplement brands in Singapore.

Established since 1982, there are now 23 Nature's Farm retail stores conveniently located across Singapore, 2 retail outlets in Brunei, as well as brand presence in China.

Nature's Farm prides ourselves as the First Health Supplement retail chain in Singapore, pioneering the introduction of Western supplements into Singapore. House Brands of Nature's Farm - Nature's Farm®, BioScience®, SlimMax, Royal Essence, Foodsource, Power System® and Happy Kidz®, are uniquely formulated with only the finest ingredients of the highest grade.

Through a strident selection process, we continuously source for the highest grade and quality products internationally including U.S.A., Canada, Japan, France, Norway, Italy, New Zealand and Australia. Some of these reputable health supplements include Dr. Ohhira's OMX-Deluxe 5, Wakunaga Kyolic, Twinlab, Bluebonnet Nutrition, Norwegian Krill, NOW Foods, SCITEC Nutrition, Sukoyaka Collagen Matrix and Senseiro Agaricus.

Nature's Farm, with Trusted Health Supplements sourced from around the world, offers a comprehensive range of health supplement products, ranging from vitamins & minerals, organic foods, weight management products and sports nutrition.

Our healthcare solution also caters widely to consumers with different lifestyles, across functional categories including premium antioxidants and immunity boosters, supplements that support joint, bone, liver, heart, digestive health, as well as beauty essentials.

Corporate Information

BOARD OF DIRECTORS

Lo Ching
(Chairman/Non-Independent Executive Director)

Liu Hui
(Non-Independent Executive Director)

Ong Wei Jin
(Non-Independent Non-Executive Director)

Maurice Tan Huck Liang
(Independent Non-Executive Director)

Lau Chin Hock Kenneth Raphael
(Independent Non-Executive Director)

COMPANY SECRETARIES

Khoo Boo Han
Brenda Tan

REGISTERED OFFICE

SGX Centre 2, #17-01,
4 Shenton Way, Singapore 068807
Tel : (65) 6535 0550
Fax : (65) 6438 0550

REGISTRAR

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

AUDITORS

Deloitte & Touche LLP
6 Shenton Way #33-00
OUE Downtown 2
Singapore 068809

Mr. Tsia Chee Wah (Partner in charge)
(Since financial year ended 31 January 2014)

GROUP PRINCIPAL BANKERS

(in alphabetical order)

Coutts & Co. Ltd
DBS Bank Ltd
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited

STOCK EXCHANGE LISTING

Singapore Exchange Securities Trading Limited

Profile of Board of Directors

Lo Ching

(Chairman/Non-Independent Executive Director)

Ms. Lo Ching was appointed as a Director and Chairman on 19 November 2015. She is a self-made entrepreneur and the Chairman of a China-based Camsing Global group. She has more than 20 years' experience in branding, marketing & promotion, IP & licensing, Sports & media entertainment, distribution and healthcare. She was awarded the International Person of the Year 2011 by the Advertising Specialty Institute (ASI) in its prestigious Counselor annual awards. Ms. Lo holds an EMBA degree from Hong Kong University of Science and Technology and an EMBA degree from HEC business school.

Liu Hui

(Non-Independent Executive Director)

Ms. Liu Hui was appointed as a Director on 19 November 2015. She is an Accountant by training. She has years of experiences in financial auditing and asset management. She is Vice President of Camsing Global. Ms. Liu holds an EMBA degree from HEC business school.

Ong Wei Jin

(Non-Independent Non-Executive Director)

Mr. Ong Wei Jin was appointed as a Director on 19 November 2015. He is presently practising as a lawyer in Singapore. His main areas of practice are corporate finance and general corporate law. He obtained a Bachelor of Law (Honours) from the National University of Singapore, a MBA (Investment and Banking) from the University of Hull and a Masters of Law from the National University of Singapore. Mr. Ong is currently an independent director of CFM Holdings Ltd, China XLX Fertiliser Ltd and Luzhou Bio-Chem Technology Ltd.

Maurice Tan Huck Liang

(Independent Non-Executive Director)

Mr. Maurice Tan was appointed as a Director on 19 November 2015. He is presently at a Technology MNC leading its M&A Integration Practice in Asia. Previously, Mr. Maurice Tan held senior positions in General Management and in Consumer Sales & Marketing roles across Greater China and Asia Pacific Region. He obtained a Bachelor of Business Administration from National University of Singapore, an Executive MBA at China Europe International Business School and is also an Adjunct Senior Lecturer at NUS Business school.

Lau Chin Hock Kenneth Raphael

(Independent Non-Executive Director)

Mr. Lau was appointed as a Director on 19 November 2015. He is currently serving as Senior Strategist in Kearsley Ltd. Mr. Lau has over eighteen years of experience in infrastructure finance and held senior roles at Bank of Tokyo-Mitsubishi UFJ Ltd and OCBC Bank prior to joining Kearsley Ltd. Mr. Lau holds an MBA from INSEAD.

Group Senior Management

Lim Say Kian Stephen

Mr. Lim Say Kian Stephen joined the company as its Chief Executive Officer with effect from 7 March 2016. He has more than 20 years of experience managing businesses in China, Singapore, Malaysia and Taiwan including senior appointments in Singapore Mainboard public listed companies.

Mr. Lim has previously held senior positions in Singbridge Corporate Pte Ltd, and in Singapore listed Auric Pacific Group (Singapore listed, SGX:A23).

Dear Shareholders,

On behalf of your Board of Directors, I am pleased to present the Annual Report and Audited Financial Statement of Camsing Healthcare Limited for the financial year ended 31 January 2016 ("FY 2015/2016").

Economic Review

The average Gross World Product (GWP) has increased by 3.5% in 2015, marginally up from 3.4% in 2014. While the US GDP growth has been lukewarm and ranging between 2.1% and 2.9%, the uncertainty of FED raising interest rates has cast a shadow over the market. China's GDP growth has reduced to a 29-year low at 6.9% and is expected to decrease further to 6.5% in year 2016. Europe and Japan do not show any signs of recovery even after central banks have resorted to negative interest rates.

Domestically, the island-wide retails growth continued the decline of year 2014, and entered into a negative region in Q4 2015. Singapore posted a full-year GDP growth of 2.0%, down from 3.3% a year ago. The tourism industry remained relatively weak, raking S$22.0 billion receipts for the whole year 2015, down from S$23.6 billion in 2014. The local labor market continued to be tight, and ended the year with an unemployment rate at 1.9%.

Financial Review

FY 2015/16 continued to be very challenging year for the Group.

Harsh completion and languishing demand in the health foods and supplements have continued pushing the retailers into price wars. Nature's Farm operated with higher business costs in terms of increased lease rentals, severe labor shortage, higher foreign workers levy and higher wages.

Against the backdrop of such challenging operating environment, the Group recorded lower revenue of S$14.13 million compared to S$15.79 million for last financial year ended January 31, 2015, down by 10.5%. Business also suffered under the double whammy of higher operating costs eating into gross margin.

Chairman's Statement

In respect of continuing operations, the Group recorded a loss before tax of S$2.20 million compare to a profit before tax of S$0.51 million in FY2014/15. Overall the Group made a loss after tax of S$1.98 million, or -6.60 cents per ordinary share (post consolidation).

As at 31 January 2016, Shareholder's Fund at Group level stood at S$10.61 million, compared to S$13.14 million in FY2014/15. Total Borrowings was S$3.07 million, increased from S$2.29 million a year ago.

Review of Operations

Nature's Farm's marketing and promotional activities during the financial year under review included monthly atrium sales events held at different shopping malls across Singapore. Atrium sales events are usually scheduled to run for a week and are supported by marketing and communication activities, including postcard mailers, social networks and SMSes. At atrium sales events, customers enjoy a variety of attractive promotions such as range discounts; Purchase-with-purchase which entitles the customers to purchase a selected range of products at a special discount price; Gift-with-purchase; Hot buys; 2nd at S$4.90 specials; free Nature's Farm cash vouchers; cut-out discount coupons with event postcard invites; and sampling of products.

Nature's Farm also scheduled a line-up of attractive promotions during notable occasions such as annual Great Singapore Sales (GSS), 50th National Day (SG50), Christmas and Lunar New Year. The SG50 promotion featured all measures of promotional schemes mentioned above, on products such as Pycnogenol®, Manuka Honey and Allure. Among the promotional activities in January 2016, 4 customers won attractive prizes such as Golden Goat 24K Gold-plated Medallions and Golden Goat Coins; 10 customers won a great angbao of S$888 in the Great Angbao Luckydraw; limited premium gifts for customers and members' loyalty redemption card. The management has been creative in many different ways to attract and retain customers.

Above-the-line marketing activities include radio advertisements in Radio Station: Capital 95.8FM Radio Station: Gold 90.5FM, with the aim to increase brand awareness to the public and to reach out to a wide target market audience.

During the financial year under review, Nature's Farm also worked closely with corporate companies and had several corporate sales events held at Prudential Insurance, Aviva Singapore, Sentosa Development Corporation, MAS, and Continental Automotive etc. Collaborative partnerships with banks such as Citibanks, DBS, OCBC, Standard Charted, Bank of China and CIMB to offer exclusive discounts. Other partnership includes government supported organizations, such as Civil Service Club, NTUC Income, MINDEF, PAssion card, and C3A.

Nature's Farm continued supporting the Lions Save Sight Centre (Singapore) through their Lion Recycle for Sight Singapore community project. Following its effort from the previous year, Nature's Farm continued placing collection boxes at various retails outlets for the public to donate glasses to needy recipients of the abovementioned charity.

Chairman's Statement

The management is in an endless bid to widen its range of product offerings. Nature's Farm continuously sources new niche products to widen its products range. Some of new products launched were Nature's Farm® Mega Vision, Osteo Advacare, 3H-Pro, Liver AdvaCare, Hair PRO-GRO, PYCNO® 50 Plus, PYCNO® chewable and Bentley Organic Personal Care range.

Corporate Exercises

In October 2015, the Group welcomed its new majority shareholder, Creative Elite Holdings Limited, a holding company owned by Hong Kong entrepreneur, Ms. Lo Ching. Besides the Group, Ms. Lo Ching also owns Camsing Global, a leading brand operator and marketer in China. The General Offer was completed smoothly in November 18, 2015.

Following the acquisition, an extraordinary general meeting was successfully held to change the name of the company to Camsing Healthcare Limited, for a better description to the business area outlined for the future of the Group.

Directorate

On completion of the acquisition in November 2015, the old board resigned. We would take the opportunity to express our appreciation to the effort of the previous board members in advising the Group and safe-guarding the shareholder's values.

Our new board was setup in November, represented by a group of reputable professionals and lawyers who are familiar with both the regional and the China markets. I believe the new board will continue to guard the shareholders' interests with the highest standards.

Leadership and outlook

The new CEO, Mr. Stephen Lim, came on-board to steer the business expansion from March 2016. Mr. Lim has extensive business management experience in China, Singapore and Malaysia in manufacturing, distribution, retail & franchise operations. Right after his appointment, Mr. Lim has brought to the table his business connections both in China and in the region, for the potential expansion of the Group.

With a clear strategic direction to expand the brand into the much bigger China market, the Group is now seeing its biggest opportunity to turnaround and to grow into a much bigger and broader business. With the support from its new majority shareholder, the Group's expansion will not be limited to organic growth, but also through acquisitions.

Acknowledgement

On behalf of the Board of Directors, I would like to thank the management at all levels for their commitment, dedication and collective contribution to the Group's performance. I would like to thank my fellow Board members for their continued counsel and support and also our valued customers, suppliers, business partners and our shareholders for their continued support.

Lo Ching,
Chairman
27 April, 2016.

Group Financial Highlights

Year Ended 31 January	2016 $'000	2015 $'000	Changes %
Results			
Revenue	14,131	15,787	-10
(Loss)/Profit before tax	(2,197)	507	N.M
(Loss)/Profit attributable to shareholders	(1,979)	438	N.M
At Balance Sheet Date			
Shareholders' funds	10,613	13,136	-19
Total assets	15,005	16,449	-9
Per Ordinary Share			
(Loss)/Profit per share (cents)	(6.60)	0.29[1]	N.M
Net tangible assets per share (cents)	35.38	8.73[2]	N.M
Financial Ratios			
Return on shareholders' funds (%)	(18.65)	3.33	N.M
Net debt-equity ratio	0:1	0:1	-
Interest cover (times)	(11.92)	4.55	N.M

N.M : Not Meaningful

On June 24, 2015, a share consolidation exercise was completed such that every five issued shares were consolidated into one share. Assuming that the share consolidation exercise was completed on January 31, 2015, the comparative figures for the earnings per share would be:

[1]Profit share (cents) 1.46
[2]Net tangible assets per share (cents): 43.79

Group Financial Highlights

Year Ended 31 January	2016 $'000	2015 $'000	2014 $'000	2013 $'000	2012 $'000
Income Statement					
Revenue	14,131	15,787	16,067	18,523	28,654
(Loss)/Profit before tax	(2,197)	507	(805)	(137)	1,762
Income tax credit/(expenses)	218	(69)	88	(30)	(611)
(Loss)/Profit for the year	(1,979)	438	(717)	(167)	1,151
(Loss)/Profit attributable to owners of the parent	(1,979)	438	(1,106)	(147)	1,151
Balance Sheet					
Property, plant and equipment	2,136	2,096	1,947	1,635	1,642
Other receivables - non-current	569	676	893	984	947
Net Current assets	8,253	10,177	11,353	12,671	14,189
Long term investments	-	532	531	545	-
Deferred tax assets	241	98	112	325	280
Total assets employed	11,199	13,579	14,836	16,160	17,058
Shareholders' funds	10,613	13,136	14,391	15,589	16,456
Non-current liabilities	418	381	399	533	589
Deferred tax liabilities	168	62	46	38	13
Total funds invested	11,199	13,579	14,836	16,160	17,058
Per Ordinary Share					
(Loss) /Profit after tax attributable to owners of the parent (cents)	(6.60)	0.29	(0.74)	(0.10)	0.77
Net tangible assets (cents)	35.38	8.73	9.55	10.15	10.79
Gross dividend (cents)					
- Interim	-	0.3	-	-	-
- Final	-	0.2	0.8	0.3	0.4
Financial Ratios					
Return on shareholders' funds (%)	(18.65)	3.33	(7.68)	(0.94)	6.99
Net debt-equity ratio	0 : 1	0 : 1	0 : 1	0 : 1	0 : 1
Interest cover (times)	(11.92)	4.55	(4.78)	0.15	7.48

Corporate Governance Report

Camsing Healthcare Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") recognises the importance of and is committed to maintaining high standards of corporate governance in conformity with the revised Code of Corporate Governance 2012 (the "**Code**"). Unless otherwise stated below, the Company is in compliance with the requirements of the Code.

1. BOARD MATTERS

1.1 The Board's Conduct of Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with 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 ("**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**") has been given clear directions on matters (including set 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 Board approval as prescribed under the relevant legislation and regulations as well as the Company's Articles of Association.

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

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 as to the proceedings and matters discussed during such meetings.

1. BOARD MATTERS (cont'd)

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

The number of meetings held by the Board and Board Committees held and the attendance of each Director for the financial year ended 31 January 2016 are summarised in the table below:

	Board		AC		RC		NC	
	No. of meetings		No. of meetings		No. of meetings		No. of meetings	
Name of Director	Held#	Attended	Held#	Attended	Held#	Attended	Held#	Attended
Tan Sri Dato' Tan Kay Hock(1)	3	3	3	3^	N.A(3)	N.A(3)	N.A(3)	N.A(3)
Puan Sri Datin Tan Swee Bee(1)	3	3	3	3	N.A(3)	N.A(3)	N.A(3)	N.A(3)
James Koh Chuan Lim(1)	3	3	3	3^	N.A(3)	N.A(3)	N.A(3)	N.A(3)
Jaginder Singh Pasricha(1)	3	1	3	1	N.A(3)	N.A(3)	N.A(3)	N.A(3)
Ong Seng Pheow(1)	3	3	3	3	N.A(3)	N.A(3)	N.A(3)	N.A(3)
Lo Ching(2)	0(4)	0(4)	0(4)	0(4)	0(4)	0(4)	0(4)	0(4)
Liu Hui(2)	0(4)	0(4)	0(4)	0(4)	0(4)	0(4)	0(4)	0(4)
Lau Chin Hock Kenneth Raphael(2)	0(4)	0(4)	0(4)	0(4)	0(4)	0(4)	0(4)	0(4)
Maurice Tan Huck Liang(2)	0(4)	0(4)	0(4)	0(4)	0(4)	0(4)	0(4)	0(4)
Ong Wei Jin(2)	0(4)	0(4)	0(4)	0(4)	0(4)	0(4)	0(4)	0(4)

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) Resigned with effect from 19 November 2015.

(2) Appointed with effect from 19 November 2015.

(3) The RC and NC had not been established during the time the relevant Directors held office.

(4) The Board, AC, NC and RC held their first meetings after the close of the financial year ended 31 January 2016, following the reconstitution of the Board on 19 November 2015.

The Executive Directors update 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, investor relations and reporting requirements in relation to financial statements.

Newly appointed Directors are 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 its Directors 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.

As at the date of this Report, the Board comprises five (5) Directors, of whom two (2) are Independent Directors. The composition of the Board is set out below:

Executive Directors

Lo Ching	-	Executive Chairman
Liu Hui	-	Executive Director

Non-Executive Directors

Lau Chin Hock Kenneth Raphael	-	Independent Non-Executive Director
Maurice Tan Huck Liang	-	Independent Non-Executive Director
Ong Wei Jin	-	Non-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 judgement, taking into account the scope and nature of the operations of the Company and the Group.

There is a strong and independent element on the Board, and the Company fulfills the Code's requirement that more than one-third of the Board should comprise Independent Directors. No individual or small group of individuals dominates the Board's decision-making.

The criterion for independence is based on the definition given in the Code. The Code defines an independent director as one who has no relationship with the company, its related corporations, its 10% shareholders (as defined in the Code) 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. The two (2) Independent Directors have confirmed their independence in accordance with the definition of independence in the Code and the NC, following its review, is of the view that the two (2) Independent Directors are independent in accordance with the definition of independence in the Code.

The Company currently has no Independent Directors who have served of 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 law, economics, accounting and general business management. The current composition of the Board also provides a diversity of gender with two female Directors, namely, Ms. Lo Ching, the Executive Chairman and Ms. Liu Hui, an Executive Director on the Board.

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.

The Independent Directors constructively challenge and assist in the development of proposals on strategy, assist the Board in reviewing the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance. When necessary, the Independent Directors have discussions amongst themselves without the presence of the Management.

1. BOARD MATTERS (cont'd)

1.2 Board Composition and Guidance (cont'd)

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

Name of Director	Date of initial appointment	Date of Last Re-election	Current directorships in listed companies	Past directorships in listed companies (in last three years)
Lo Ching	19 November 2015	N.A.	Nil	Nil
Liu Hui	19 November 2015	N.A.	Nil	Nil
Lau Chin Hock Kenneth Raphael	19 November 2015	N.A.	Nil	Nil
Maurice Tan Huck Liang	19 November 2015	N.A.	Nil	Nil
Ong Wei Jin	19 November 2015	N.A.	• China XLX, Fertiliser Ltd • Luzhou Bio-chem Technology Limited • CFM Holdings Limited	• Consciencefood Holdings Ltd

1.3 Chairman and Chief Executive Officer

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

The Chairman of the Board is Ms. Lo Ching. As Chairman of the Board, she 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 ("**AGMs**") and other shareholders' meetings, she plays a pivotal role in fostering constructive dialogue between Shareholders, the Board and Management.

Mr. Lim Say Kian Stephen, the Chief Executive Officer ("**CEO**") of the Company, is responsible for the corporate affairs of the Group and for overseeing the overall management, daily operations and performance of the Group.

The Chairman and the CEO of the Company are separate persons and are not related to each other.

The management structure of the Group is such that operating business segments have their own management structure and the heads of these business units report to the Board. There is a clear division of responsibilities between the Board and the Management.

The Board is aware of Guideline 2.2 of the Code whereby independent directors should make up at least half of the Board where the Chairman is not an independent director. The Board composition changes will need to be made at the annual general meeting following the end of financial year commencing on or after 1 May 2016. Therefore, the Board would continue to source for suitable candidates to comply with Guideline 2.2 of the Code before the Company's annual general meeting to be held by 31 May 2017. For the purposes of good corporate governance and to ensure that there is no concentration of power and authority vested in one individual, the Board is currently considering the appointment of a lead independent director.

1. BOARD MATTERS (cont'd)

1.4 Board Membership

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

The NC comprises Mr. Maurice Tan Huck Liang (Chairman), Mr. Lau Chin Hock Kenneth Raphael and Mr. Ong Wei Jin, the majority of whom, including the Chairman, are Independent Directors.

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 Articles of Association 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 Articles of Association 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. All Directors will be retired and submit themselves for re-election at the forthcoming AGM.

Each of Ms. Lo Ching, Ms. Liu Hui, Mr. Lau Chin Hock Kenneth Raphael, Mr. Maurice Tan Huck Liang and Mr. Ong Wei Jin, being eligible, have offered themselves for re-election and the NC has recommended their re-election to the Board. Each of Mr. Lau Chin Hock Kenneth Raphael, Mr. Maurice Tan Huck Liang and Mr. Ong Wei Jin has abstained from the NC's recommendation pertaining to his re-election. In making the recommendation, the NC had considered the overall contribution and performance of aforementioned Directors.

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.

1. BOARD MATTERS (cont'd)

1.5 Board Performance

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. The contribution of each Director to the effectiveness of the Board and Board Committee is assessed on individual basis and reviewed by the Chairman of 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. Nevertheless, the NC notes that following the recent reconstitution of the Board on 19 November 2015, the current evaluation may not be truly reflective, and in the interests of good corporate governance practice, the NC may carry out another evaluation in due course. 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. No external facilitator was used in the evaluation process.

1.6 Access to Information

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

The 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 Board is provided 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 the 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.

1. BOARD MATTERS (cont'd)

1.6 Access to Information (cont'd)

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 comprises Mr. Maurice Tan Huck Liang (Chairman), Mr. Lau Chin Hock Kenneth Raphael and Mr. Ong Wei Jin, the majority of whom, including the Chairman, are Independent Directors.

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;

(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 RC member 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 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 the financial year ended 31 January 2016.

2. REMUNERATION MATTERS (cont'd)

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 Executive Directors are not drawing any remuneration.

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.

2.3 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.

<u>**Details of remuneration of Directors and CEO**</u>

A breakdown of remuneration paid to or accrued to each Non-Executive Director and the CEO for the financial year ended 31 January 2016 is as follows:

	Fees (%)	Salary (%)	Bonus (%)	Total (%)	Total (S$'000)	Prorated Fee for the financial year ended 31 January 2016 (S$'000)
Directors						
Jaginder Singh Pasricha[1]	100	0	0	100	17.5	14
Ong Seng Pheow[1]	100	0	0	100	17.5	14
Lau Chin Hock Kenneth Raphael[2]	100	0	0	100	21	4.2
Maurice Tan Huck Liang[2]	100	0	0	100	21	4.2
Ong Wei Jin[2]	100	0	0	100	21	4.2
CEO						
Zhong Wenqing[3]	0	100	0	100	180	15
Lim Say Kian Stephen[4]	0	0	0	0	0	0

2. REMUNERATION MATTERS (cont'd)

2.3 Disclosure on Remuneration (cont'd)

Notes:

(1) Resigned with effect from 19 November 2015.

(2) Appointed with effect from 19 November 2015.

(3) Appointed with effect from 7 December 2015 and resigned with effect from 7 March 2016.

(4) Appointed with effect from 7 March 2016.

The remaining Directors, namely Tan Sri Dato' Tan Kay Hock, Puan Sri Datin Tan Swee Bee and James Koh Chuan Lim (each such Director having resigned with effect from 19 November 2015) and Lo Ching and Liu Hui did not receive any remuneration or fee for their services.

Details of remuneration of top key management personnel

The breakdown of remuneration paid to or accrued to each key management personnel (who are not Directors or the CEO) for the financial year ended 31 January 2016 is as follows:

Key Management Personnel	Salary (%)	Bonus (%)	Other benefits (%)	Total (%)
Between S$250,000 to S$500,000				
Low Kean Jin	87	11	2	100

The aggregate total remuneration paid to the top key management personnel (who are not Directors or the CEO) for the financial year ended 31 January 2016 is approximately S$407,000. Apart from the key management personnel as disclosed in this Report, there is no other key management personnel in the Group.

The Company will not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. Instead, internal disciplinary actions may be taken against the key management personnel on his misconduct.

No termination, retirement and post-employment benefits other than payment in lieu of notice the event of termination were included in the employment contracts of the Directors and the top key management personnel.

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 the financial year ended 31 January 2016.

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.

3. ACCOUNTABILITY AND AUDIT (cont'd)

3.1 Accountability (cont'd)

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 recognizes 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 systems 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 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. While no cost effective internal control system can provide absolute assurance against loss or misstatement, the AC, with the participation of the Board, has reviewed the adequacy of the Group's internal controls and systems to ensure that they are designed to provide reasonable assurance that assets are safeguarded, operational controls are in place, business risks are suitably managed, proper accounting records are maintained and the integrity of financial information used for business and publication are preserved.

For the financial year ended 31 January 2016, the Board has received assurance from the CEO that the financial records were properly maintained, the financial statements gave a true and fair view of the Company and the Group's operations and finances, and regarding the effectiveness of the Company's risk management and internal controls system.

Based on the existing 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 with the adequacy of the Group's internal controls in addressing the current financial, operational and compliance risks of the Group as at 31 January 2016. Nevertheless, the Board notes that the Group's businesses are undergoing certain restructuring, which may result in changes in the business and operational risks of the Group. The Company will revisit the adequacy of the Group's existing internal controls periodically.

3. ACCOUNTABILITY AND AUDIT (cont'd)

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 comprises Mr. Lau Chin Hock Kenneth Raphael (Chairman), Mr. Maurice Tan Huck Liang and Mr. Ong Wei Jin, the majority of whom, including the Chairman, are Independent Directors.

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-yearly and full year financial results before submission to the Board for approval;

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

(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 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 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 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, 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.

3. ACCOUNTABILITY AND AUDIT (cont'd)

3.3 Audit Committee (cont'd)

The AC, having reviewed the scope and value of non-audit services provided to the Group by the Company's external auditors, Messrs Deloitte & Touche LLP ("**Deloitte**"), 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 Deloitte as external auditors at the forthcoming AGM. The AC is satisfied that Deloitte and the audit engagement team assigned to the audit have adequate resources and experience to meet its obligations. The AC has reviewed and noted that there were no non-audit services provided by the external auditors during the financial year under review. In this connection, the Company has complied with Rules 712 and 715 of the Listing Manual. The fees paid/payable to Deloitte, the external auditors, for the financial year ended 31 January 2016 was approximately S$110,000.

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 whistle-blowing 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 whistleblowers.

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 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. The Board has reviewed the last internal audit report issued by Management on the Company's operating subsidiary, Nature's Farm Pte Ltd. Following the recent reconstitution of the Board on 19 November 2015, the Board undertakes to review and conduct an internal audit of the Group's businesses during the forthcoming financial year.

4. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

4.1 Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognize, 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 (Chapter 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 practice selective disclosure.

4. SHAREHOLDER RIGHTS AND RESPONSIBILITIES (cont'd)

4.1 Shareholder Rights (cont'd)

The Company welcomes the views of Shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad hoc basis. At shareholders' meetings, Shareholders are given the opportunity to communicate their views and to ask the Directors and Management questions regarding the Group. 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.

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 directly with Shareholders and encourage greater shareholder participation.

All Shareholders receive annual reports and are informed of shareholders' meetings through notices published in the newspapers and reports or circulars sent to Shareholders. Shareholders are invited at such meetings to put forth any questions they may have on the motions to be debated and decided upon. If any shareholder is unable to attend, he is allowed to appoint up to two (2) proxies to vote on his behalf at the meeting through proxy forms sent in advance. Corporations which provide nominee or custodial services can appoint more than two (2) proxies to allow such Shareholders who hold shares through such corporations to attend and participate in general meetings as proxies.

The Directors, including the chairman of each Board and Board Committee are present to address Shareholders' questions at the annual general meeting. The Board will also engage in dialogue with Shareholders at the AGM, to gather views or input and address Shareholders' concerns.

4. SHAREHOLDER RIGHTS AND RESPONSIBILITIES (cont'd)

4.3 Conduct of Shareholder Meetings (cont'd)

The Chairpersons of the AC, RC and NC are normally available at shareholders' meetings to answer those questions relating to the work of these Board Committees. 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 will henceforth be 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.

The Company Secretary records minutes of all general meetings and questions and comments from Shareholders together with the responses of the Board and Management. These are available to Shareholders upon request.

5. MATERIAL CONTRACTS

Save as disclosed in paragraph 7 entitled "Interested Party Transactions", there were no material contracts entered into by the Company or its subsidiaries involving the interests of the CEO, Directors or controlling shareholders, which are either still subsisting at the end of the financial year ended 31 January 2016 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 and two (2) weeks before the date of the announcement of the full year and half-year results respectively 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 for a 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 are also advised to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods.

7. INTERESTED PERSON TRANSACTIONS

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 the financial period under review, the Group did not have a shareholders' mandate pursuant to Rule 920 of the Listing Manual.

7. INTERESTED PERSON TRANSACTIONS (cont'd)

The aggregate value of interested person transactions for the financial year ended 31 January 2016 is as follows:

Name of interested person	Aggregate value of all interested person transaction during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the (excluding transactions less than S$100,000)
Nature's Farm (Health Foods) Sdn Bhd Sale of goods	S$176,000	N.A.
Harry Elias Partnership LLP Provision of corporate secretarial services	S$26,000	N.A.

Risk Assessment and Management

The Board is responsible for the governance of risk. The risk management systems maintained is appropriate to each of the different businesses 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 exposures of the Group:-

1. **Political, Social, Economic and Regulatory Conditions**

   The Group is 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 Risk**

   The Group is exposed to a variety of financial risks, viz. credit, liquidity, interest rate, foreign currency and market price risks. The identification and management of such risks are outlined on Pages 65 to 71 of the Annual Report (under Note 29 to the Financial Statements).

3. **Operational Risk**

   Inherent in all business activities, is the 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 in place operating manuals, standard operating procedures, delegation of authority guidelines and a regular reporting framework which encompasses operational and financial reporting. Independent checks on risk issues are also undertaken by the Internal Audit function in addition to regular risk review meetings of the risk management committee.

   The Group also reviews risk transfer mechanisms 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 Management**

   All major investments are subject to vigorous scrutiny to ensure that they meet the relevant criteria 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 Management**

   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 vest 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.

Financial Statements

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Camsing Healthcare Limited (the "Company") and its subsidiary corporations (collectively, the "Group") and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 January 2016.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 30 to 72 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2016, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The Directors of the Company in office at the date of this statement are:

Maurice Tan Huck Liang	(Appointed on 19 November 2015)
Liu Hui	(Appointed on 19 November 2015)
Lo Ching	(Appointed on 19 November 2015)
Lau Chin Hock Kenneth Raphael	(Appointed on 19 November 2015)
Ong Wei Jin	(Appointed on 19 November 2015)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE 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 objects are, or one of whose object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following Directors, who held office at the end of the financial year, had, according to the Register of Directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, an interest in shares and share options of the Company and related corporations as stated below:

	Deemed interest	
Name of director	**At beginning of year or date of appointment, if later**	**At end of year**
Ultimate holding company Creative Elite Holdings Ltd (Ordinary shares)		
Lo Ching	25,608,120	25,008,120

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 February 2016.

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in shares, share options or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

4 SHARE OPTIONS

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

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

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

5 AUDIT COMMITTEE

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act, Cap. 50 of Singapore. The functions performed are detailed in the Corporate Governance Report.

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Lo Ching
Director

Liu Hui
Director

27 April 2016

Report on the Financial Statements

We have audited the accompanying financial statements of Camsing Healthcare Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 January 2016, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 30 to 72.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2016 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

27 April 2016

Statements of Financial Position

31 January 2016

	Note	Group		Company	
		2016	2015	2016	2015
		$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and cash equivalents	4	**356**	4,729	**51**	4,377
Pledged fixed deposits	4	**3,400**	–	**3,400**	–
Trade and other receivables	5	**1,028**	2,178	**230**	15
Inventories	6	**6,756**	6,140	**–**	–
Available-for-sale investments	7	**519**	–	**519**	–
Total current assets		**12,059**	13,047	**4,200**	4,392
Non-current assets					
Other receivables	5	**569**	676	**–**	–
Property, plant and equipment	8	**2,136**	2,096	**–**	–
Investment in subsidiaries	9	**–**	–	**18,336**	18,323
Available-for-sale investments	7	**–**	532	**–**	532
Deferred tax assets	10	**241**	98	**–**	–
Total non-current assets		**2,946**	3,402	**18,336**	18,855
Total assets		**15,005**	16,449	**22,536**	23,247
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	11	**955**	669	**8,402**	8,503
Provisions	12	**174**	168	**–**	–
Interest-bearing loans and borrowings	13	**2,639**	1,908	**–**	–
Finance lease	14	**16**	–	**–**	–
Income tax payable		**22**	125	**–**	–
Total current liabilities		**3,806**	2,870	**8,402**	8,503
Non-current liabilities					
Interest-bearing loans and borrowings	13	**361**	381	**–**	–
Finance lease	14	**57**	–	**–**	–
Deferred tax liabilities	10	**168**	62	**–**	–
Total non-current liabilities		**586**	443	**–**	–
Capital and reserves					
Share capital	15	**14,250**	14,250	**14,250**	14,250
Reserves	16	**(3,523)**	(3,279)	**(25)**	(12)
(Accumulated losses) Retained earnings		**(114)**	2,165	**(91)**	506
Total equity		**10,613**	13,136	**14,134**	14,744
Total liabilities and equity		**15,005**	16,449	**22,536**	23,247

See accompanying notes to financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 January 2016

	Note	2016 $'000	2015 $'000
Revenue	17	**14,131**	15,787
Cost of sales		**(6,317)**	(6,441)
Gross profit		**7,814**	9,346
Interest income	18	**40**	70
Other income	19	**318**	433
Marketing and distribution expenses		**(7,537)**	(7,154)
Administrative expenses		**(2,662)**	(2,045)
Finance costs	20	**(170)**	(143)
(Loss) Profit before tax		**(2,197)**	507
Income tax	21	**218**	(69)
(Loss) Profit for the year	22	**(1,979)**	438
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Deferred tax liability arising from revaluation of leasehold property		**(102)**	–
Revaluation of leasehold property		**(88)**	–
		(190)	–
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations		**(41)**	(44)
Fair value change of available-for-sale investments		**(13)**	1
		(54)	(43)
Other comprehensive loss for the year, net of tax		**(244)**	(43)
Total comprehensive (loss) income for the year		**(2,223)**	395
(Loss) Profit attributable to owners of the Company		**(1,979)**	438
Total comprehensive (loss) income attributable to owners of the Company		**(2,223)**	395
(Loss) Earnings per share (cents per share)			
Basic and diluted	23	**(6.60)**	1.46

See accompanying notes to financial statements.

Statements of Changes in Equity

For the Financial Year Ended 31 January 2016

		Attributable to owners of the Company					
Group	**Note**	**Share capital (Note 15) $'000**	**Foreign currency translation reserve $'000**	**Revaluation reserves $'000**	**Fair value reserve $'000**	**(Accumulated losses) Retained earnings $'000**	**Total $'000**
Balance as at 1 February 2014		14,250	(3,909)	686	(13)	3,377	14,391
Total comprehensive income for the year							
Profit for the year		–	–	–	–	438	438
Other comprehensive loss for the year		–	(44)	–	1	–	(43)
Total		–	(44)	–	1	438	395
Transactions with owners, recognised directly in equity							
Dividends	30	–	–	–	–	(1,650)	(1,650)
Balance as at 31 January 2015		14,250	(3,953)	686	(12)	2,165	13,136
Total comprehensive income for the year							
Loss for the year		–	–	–	–	(1,979)	(1,979)
Other comprehensive loss for the year		–	(41)	(190)	(13)	–	(244)
Total		–	(41)	(190)	(13)	(1,979)	(2,223)
Transactions with owners, recognised directly in equity							
Dividends	30	–	–	–	–	(300)	(300)
Balance as at 31 January 2016		14,250	(3,994)	496	(25)	(114)	10,613

Company	**Note**	**Share capital (Note 15) $'000**	**Fair value reserve $'000**	**(Accumulated losses) Retained earnings $'000**	**Total $'000**
Balance as at 1 February 2014		14,250	(13)	41	14,278
Total comprehensive income for the year					
Profit for the year		–	–	2,115	2,115
Other comprehensive income for the year		–	1	–	1
Total		–	1	2,115	2,116
Transactions with owners, recognised directly in equity					
Dividends	30	–	–	(1,650)	(1,650)
Balance as at 31 January 2015		14,250	(12)	506	14,744
Total comprehensive income for the year					
Loss for the year		–	–	(297)	(297)
Other comprehensive loss for the year		–	(13)	–	(13)
Total		–	(13)	(297)	(310)
Transactions with owners, recognised directly in equity					
Dividends	30	–	–	(300)	(300)
Balance as at 31 January 2016		14,250	(25)	(91)	14,134

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 January 2016

	2016 $'000	2015 $'000
Operating activities		
(Loss) Profit before tax	(2,197)	507
Adjustments for:		
Depreciation expense	293	153
Allowance for (Reversal of) inventory obsolescence	6	(9)
Inventories written off	73	19
Interest expense	170	143
Interest income	(40)	(70)
Allowance for doubtful debts	334	100
Dividend income from investment securities	(26)	(44)
Net fair value gain on investment securities	–	(89)
Gain on sale of investment securities	–	(9)
Foreign exchange differences	(41)	(44)
Operating cash flows before movements in working capital	(1,428)	657
Trade and other receivables	923	(511)
Inventories	(695)	(119)
Trade and other payables	286	(244)
Provisions	6	3
Cash used in operations	(908)	(214)
Interest received	40	70
Interest paid	(170)	(143)
Income taxes (paid) refund	(24)	2
Net cash used in operating activities	(1,062)	(285)
Investing activities		
Purchase of property, plant and equipment (Note A)	(341)	(302)
Purchase of investment securities	–	(899)
Proceeds from sale of investment securities	–	1,675
Proceeds from disposal of subsidiary in prior year	–	800
Dividend received from investment securities	26	44
Net cash (used in) from investing activities	(315)	1,318
Financing activities		
Dividends paid on ordinary shares	(300)	(1,650)
Proceeds from interest-bearing loans and borrowings	1,193	979
Repayment of interest-bearing loans and borrowings	(1,626)	(1,193)
Repayment of finance lease obligations (Note A)	(7)	–
Fixed deposits pledged with a financial institution	(3,400)	–
Net cash used in financing activities	(4,140)	(1,864)
Net decrease in cash and cash equivalents	(5,517)	(831)
Cash and cash equivalents at beginning of the year	3,711	4,542
(Overdrawn) Cash and cash equivalents at end of the year (Note B)	(1,806)	3,711

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 January 2016

Note A:

During the year, the Group purchased property, plant and equipment with an aggregate cost of $421,000 (2015 : $302,000). Of the total purchase, $80,000 (2015 : $Nil) was acquired under finance lease arrangement.

Note B:

	Group	
	2016	2015
	$'000	$'000
Cash, bank balances and fixed deposits (Note 4)	**356**	4,729
Less: Bank overdrafts, secured (Note 13)	**(2,162)**	(1,018)
(Overdrawn) Cash and cash equivalents	**(1,806)**	3,711

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration Number 197903888Z) is incorporated in Singapore with its registered office and principal place of business at SGX Centre 2, #17-01, 4 Shenton Way, Singapore 068807. The Company is listed on the Singapore Exchange. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 9 to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 January 2016 were authorised for issue by the Board of Directors on 27 April 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 Share-based Payments, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On 1 February 2015, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

At the date of authorisation of these financial statements, the following FRSs that are relevant to the Group and the Company were issued but not effective:

- FRS 115 *Revenue from Contracts with Customers*[1]
- FRS 109 *Financial Instruments*[1]
- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*[2]
- Amendments to FRS 27 *Separate Financial Statements: Equity Method in Separate Financial Statements*[2]
- Amendments to FRS 110 *Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
- Improvements to Financial Reporting Standards (November 2014)[2]

1 Applies to annual periods beginning on or after January 1, 2018, with early application permitted.
2 Applies to annual periods beginning on or after January 1, 2016, with early application permitted.
3 Application has been deferred indefinitely, however, early application is still permitted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the above FRSs and amendments to FRSs in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

FRS 115 Revenue from Contracts with Customers

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

FRS 115 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue as and when the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue as and when performance obligation for services is satisfied, or when control of the goods is transferred to the customer. Depending on the nature of the business, additional disclosures may be required by FRS 115.

FRS 115 will take effect from financial years beginning on or after 1 January 2018. Prior to the effective date of application of these changes, management will evaluate the potential impact of the application of the amendments to FRS 115 on the financial statements of the Group and of the Company in the period of initial application.

FRS 109 Financial Instruments

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Key requirements of FRS 109:

All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows comprising solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of each accounting period. Debt instruments that are held within a business model whose objective is achieved both by selling financial assets and by collecting contractual cash flows comprising solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of each accounting period. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. Consequently, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

FRS 109 will take effect from financial years beginning on or after 1 January 2018. Prior to the effective date of application of these changes, management will evaluate the potential impact of the application of the amendments to FRS 109 on the financial statements of the Group and of the Company in the period of initial application.

Amendments to FRS 1 Presentation of Financial Statements: Disclosure Initiative

The amendments have been made to the following:

- Materiality and aggregation - An entity shall not obscure useful information by aggregating or disaggregating information and materiality considerations apply to the primary statements, notes and any specific disclosure requirements in FRSs.
- Statement of financial position and statement of profit or loss and other comprehensive income - The list of line items to be presented in these statements can be aggregated or disaggregated as relevant. Guidance on subtotals in these statements has also been included.
- Presentation of items of other comprehensive income ("OCI") arising from equity-accounted investments - An entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single items based on whether or not it will subsequently be reclassified to profit or loss.
- Notes - Entities have flexibility when designing the structure of the notes and guidance is introduced on how to determine a systematic order of the notes. In addition, unhelpful guidance and examples with regard to the identification of significant accounting policies are removed.

Amendments to FRS 1 will take effect from financial year beginning on or after 1 January 2016. Management is currently evaluating the impact of the above amendments to FRS on the consolidated financial statements of the Group.

Amendments to FRS 27 Separate Financial Statements: Equity Method in Separate Financial Statements

FRS 27 requires an entity to account for its investments in subsidiaries, joint ventures and associates either at cost or in accordance with FRS 39 (or FRS 109 when effective). The amendments allow an additional option for an entity to account for these investees in its separate financial statements using the equity method as described in FRS 28.

The accounting option must be applied by category of investments.

Amendments to FRS 27 will take effect from financial year beginning on or after 1 January 2016. Management is currently evaluating the impact of the above amendments to FRS on the consolidated financial statements of the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the requirements in dealing with the sale or contribution of assets between an investor and its associate or joint venture. In a transaction involving an associate or a joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

When an entity sells or contributes assets that constitute a business to a joint venture or associate, or loses control of a subsidiary that contains a business but it retains joint control or significant influence, the gain or loss resulting from that transaction is recognised in full.

When an entity sells or contributes assets that do not constitute a business to a joint venture or associate, or loses control of a subsidiary that does not contain a business but it retains joint control or significant influence, the gain or loss resulting from that transaction is recognised only to the extent of the unrelated investors' interests in the joint venture or associate, i.e. the entity's share of the gain or loss is eliminated.

Amendments to FRS 110 and FRS 28 will take effect from financial year beginning on or after 1 January 2016. Management is currently evaluating the impact of the above amendments to FRSs on the consolidated financial statements of the Group.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 FRSs). 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 FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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

BUSINESS COMBINATIONS - 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 FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 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.

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 FRS 12 *Income Taxes* and FRS 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 FRS 102 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 FRS.

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.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Available-for-sale financial assets

Certain shares and debt securities held by the Group are classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described in Note 28. Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the available-for-sale monetary asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and bank overdrafts that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, 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 through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income and accumulated under the heading of fair value reserve.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation 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, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Group as lessee (cont'd)

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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.

PROPERTY, PLANT AND EQUIPMENT - Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent 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 end of the reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in 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 credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost, other than construction in-progress, over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold property	-	over the term of lease which is 50 years
Plant and machinery, furniture and vehicles	-	3 to 10 years

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when the property is derecognised.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the provision for impairment (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. A provision for impairment is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where provision for impairment subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no provision for impairment been recognised for the asset (cash-generating unit) in prior years. A reversal of provision for impairment is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

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

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

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

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the 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.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax 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 the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at rates prevailing at the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

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

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in the currency translation reserve.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Group's accounting policies

Management is of the opinion that any instances of applications of judgements are not expected to have a significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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 2016 is disclosed in Note 8 to financial statements.

(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 6 to the financial statements.

(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. The carrying amount of the Company's investment in subsidiaries at 31 January 2016 is disclosed in Note 9 to the financial statements, net of impairment losses recognised.

(iv) Assessment of recoverability of receivables

The assessment of recoverability of trade and other receivables of the Group is based on the ongoing evaluation of collectability and ageing analysis of the outstanding debts and on management's estimate of the ultimate realisation of these receivables, including creditworthiness and the past collection history of each debtor. Management has evaluated the recovery of those receivables based on such estimates and is confident that the allowance for doubtful receivables, where necessary, is adequate. Management performs on-going assessments on the ability of its debtors to repay the amounts owing to the Group. The carrying amounts of the Group's trade and other receivables as at the end of the reporting period are disclosed in Note 5 to the financial statements.

(v) Valuation of leasehold property

As disclosed in Note 8, 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.

4 CASH AND BANK BALANCES

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Cash at banks and in hand	**356**	2,723	**51**	2,371
Fixed deposits	**–**	2,006	**–**	2,006
	356	4,729	**51**	4,377
Pledged fixed deposits	**3,400**	–	**3,400**	–

Cash and bank balances of the Group and Company with financial institutions have an interest rate ranging from 0.1% to 1.5% (2015 : 0.1% to 1.5%) per annum and is re-priced annually. The fixed deposits have an interest rate of 0.8% (2015 : 2.33%) per annum. Fixed deposits are placed for one year (2015 : varying periods of between 7 days and 14 days depending on the immediate cash requirement of the Group), and earn interests at the respective fixed deposit rates.

In 2016, the fixed deposits are pledged as security for the Group's bank borrowings (Note 13).

5 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Current:				
Trade receivables:				
- Third parties	**121**	77	**–**	–
- Related companies (Note 25)	**–**	659	**–**	–
	121	736	**–**	–
Other receivables:				
- Rental deposits	**468**	348	**–**	–
- Deferred lease payment	**43**	44	**–**	–
- Advances to suppliers	**90**	220	**–**	–
- Prepaid operating expenses	**249**	477	**18**	15
- Sundry receivables	**500**	453	**–**	–
- Related companies (Note 25)	**–**	–	**212**	–
Less: Allowance for impairment	**(443)**	(100)	**–**	–
Total	**1,028**	2,178	**230**	15
Non-current:				
Rental deposits	**536**	645	**–**	–
Deferred lease payment	**33**	31	**–**	–
Total	**569**	676	**–**	–

The average credit period on sales of goods is 30 to 60 days (2015 : 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.

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

5 TRADE AND OTHER RECEIVABLES (cont'd)

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

	Group	
	2016 $'000	2015 $'000
Not past due and not impaired	**32**	663
Past due but not impaired (i)	**89**	73
	121	736

(i) Aging of receivables that are past due but not impaired:

Less than 30 days	**1**	40
30 to 60 days	**6**	2
61 to 90 days	**8**	2
More than 90 days	**74**	29
	89	73

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

Not past due and not impaired	**57**	45
Impaired receivables - individually assessed (ii)	**443**	408
Less: Allowance for impairment	**(443)**	(100)
	–	308
Total sundry receivables, net	**57**	353

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

In the previous year, a subsidiary of the Group, entered into a legal claim in China for amounts owing from a third party amounting to $491,000 which includes cost of inventories and overheads. The Group has made full allowance for impairment of the receivable amount as there is uncertainty that the court may rule in favour of the Group. In the event that the outcome is in favour of the Group, there is also uncertainty over the recoverability of the amount from the third party.

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

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 (2015 : 1 to 3 years). Interest income is recognised over the lease terms on carrying amount of the deposit.

Movement in the allowance for doubtful receivables:

	Group	
	2016 $'000	2015 $'000
Balance at beginning of the year	**100**	–
Increase in allowance recognised in profit or loss	**334**	100
Currency translation differences	**9**	–
Balance at end of the year	**443**	100

6 INVENTORIES

	Group	
	2016	2015
	$'000	$'000
Health foods and supplements		
- Raw materials	**2,164**	2,019
- Finished goods	**4,182**	4,018
- Goods in transit	**410**	103
Total	**6,756**	6,140
Inventories are stated after deducting allowance for stock obsolescence	**20**	14

Analysis of allowance for inventory obsolescence:

Balance at 1 February	**14**	23
Allowance for (Reversal of) the year	**6**	(9)
Balance at 31 January	**20**	14
Inventories recognised as an expense in cost of sales	**6,313**	6,067
Allowance for (Reversal of) the year	**6**	(9)
Inventory written off	**73**	19

Allowance for inventories amounting to $20,000 (2015 : $14,000) has been estimated based on the age, historical and expected future usage of inventories.

7 AVAILABLE FOR SALE INVESTMENTS

	Group and Company	
	2016	2015
	$'000	$'000
Current:		
Quoted equity shares at fair value	**519**	–
Non-current:		
Quoted equity shares at fair value	**–**	532
Total	**519**	532

The above investments represent quoted equity shares that offer the Group the opportunity for return through dividend income and fair value gains. They carry a fixed coupon rate of 5.1%.

8 PROPERTY, PLANT AND EQUIPMENT

	Leasehold property $'000	Plant and machinery, furniture and vehicles $'000	Total $'000
Group			
Cost or valuation:			
At 1 February 2014	1,250	2,871	4,121
Additions	–	302	302
Revaluation decrease	(31)	–	(31)
Written off	–	(206)	(206)
At 31 January 2015	1,219	2,967	4,186
Additions	–	421	421
Revaluation decrease	(119)	–	(119)
Written off	–	(235)	(235)
At 31 January 2016	1,100	3,153	4,253
Comprising:			
At 31 January 2015			
At cost	–	2,967	2,967
At valuation	1,219	–	1,219
	1,219	2,967	4,186
At 31 January 2016			
At cost	–	3,153	3,153
At valuation	1,100	–	1,100
	1,100	3,153	4,253
Accumulated depreciation:			
At 1 February 2014	–	2,174	2,174
Depreciation charge for the year	31	122	153
Revaluation decrease	(31)	–	(31)
Written off	–	(206)	(206)
At 31 January 2015	–	2,090	2,090
Depreciation charge for the year	31	262	293
Revaluation decrease	(31)	–	(31)
Written off	–	(235)	(235)
At 31 January 2016	–	2,117	2,117
Carrying amount:			
At 31 January 2016	1,100	1,036	2,136
At 31 January 2015	1,219	877	2,096

In 2016, the vehicle with net carrying amount of $70,000 that is acquired under finance lease arrangement is pledged as security for the finance lease (Note 14).

In 2015, the leasehold property with net carrying amount of $1,219,000 was pledged as security for the Group's bank borrowings (Note 13).

At 31 January 2016, had the leasehold property been carried at historical cost less accumulated depreciation, the carrying amount would have been approximately $535,718 (2015 : $549,816).

8 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Fair value measurement of the Group's leasehold property

As at 31 January 2016, the Group's leasehold property is stated at its revalued amount, being the fair value at the date of revaluation. The fair value measurements of the Group's leasehold property as at 31 January 2016 was performed by OrangeTee.com Pte Ltd (2015 : GSK Global 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.

The fair value of the leasehold property 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 $'000	Level 2 $'000	Level 3 $'000	Fair value as at 31 January 2016 $'000
Leasehold property	–	–	1,100	1,100

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Fair value as at 31 January 2015 $'000
Leasehold property	–	–	1,219	1,219

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

The following table shows the significant unobservable input used in the valuation model:

Type	Significant unobservable inputs	Relationship of unobservable inputs and fair value measurement
2016		
Leasehold property	Price per square feet of gross floor area of 4,252 square feet (approximately $260)	The higher the price per square foot of gross floor area, the estimated fair value increases.
2015		
Leasehold property	Price per square feet of gross floor area of 4,252 square feet (approximately $290)	The higher the price per square foot of gross floor area, the estimated fair value increases.

9 INVESTMENT IN SUBSIDIARIES

	Company	
	2016	2015
	$'000	$'000
Unquoted shares, at cost	**33,802**	33,802
Impairment losses	**(15,466)**	(15,479)
	18,336	18,323

Movement in impairment loss on investment in subsidiaries:

At beginning of financial year	**15,479**	15,527
Charge for the year	**38**	255
Reversal	**(51)**	(303)
At end of financial year	**15,466**	15,479

During the financial year, management reviewed the carrying amounts of all its subsidiaries to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amounts of these subsidiaries have been determined based on value in use calculation using cash flow projections from financial budgets approved by management covering five years period or net assets of the subsidiaries, if they are investment holding or inactive. The pre-tax discount rate applied to the cash flow projection and the forecasted growth rate used to extrapolate cash flow projections beyond the five year period are 15.1% and 2% (2015 : 17.7% and 3% to 3.5%) per annum respectively.

Management has further performed the following sensitivity analysis and is confident that no further impairment loss is required. Should the discount rate be increased to 35% (2015 : 19%), the Company would have to record an impairment loss of approximately $250 (2015 : $684,000) on its investment in subsidiaries.

An impairment loss of $38,000 (2015 : $255,000) was recognised for the year ended 31 January 2016 to write down a subsidiary to its estimated recoverable amount.

9 INVESTMENT IN SUBSIDIARIES (cont'd)

A reversal of impairment loss recognised of $51,000 (2015 : $303,000) was recognised during the year in respect of the Company's investments in a subsidiary. The recoverable amounts of the subsidiary have been determined based on value in use calculation using cash flow projections from financial budgets approved by management covering a five year period.

	Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held	
				2016	**2015**
				%	**%**
	Held by the Company				
(i)	William Jacks & Co. (Singapore) Pte. Ltd.	Singapore	Trading in health foods and supplements	**100**	100
(i)	Nutra-Source Pte. Ltd.	Singapore	Trading in health foods and supplements	**100**	100
(ii) (iv)	Jacks Overseas Limited	Bahamas	Investment holding and management	**100**	100
(ii)	William Jacks (Australia) Pty. Ltd.	Australia	Investment holding	**100**	100
	Held through William Jacks & Co. (Singapore) Pte. Ltd.				
(i)	Nature's Farm Pte. Ltd.	Singapore	Trading in health foods and supplements	**100**	100
(iii)	Nature's Farm (Shanghai) Co. Ltd.	People's Republic of China	Trading in health foods and supplements	**100**	100
	Held through Jacks Overseas Limited				
(i)	Wismer Automation (Singapore) Pte. Ltd.	Singapore	Inactive	**90**	90

(i) Audited by Deloitte & Touche LLP, Singapore.
(ii) Not audited for consolidation purpose as the subsidiary is not material.
(iii) Audited by Beijing Redsun Certified Public Accountants Co.,Ltd., Shanghai Branch Offices.
(iv) Not required to present audited financial statements under the laws of its country of incorporation.

Wismer Automation (Singapore) Pte. Ltd. being the only non-wholly owned subsidiary of the Group has no material non-controlling interest to the Group.

10 DEFERRED TAXATION

Deferred tax as at 31 January relates to the following:

	Revaluation of building	Unused tax losses and tax offsets	Difference between tax and accounting depreciation	Others	Total
	$'000	$'000	$'000	$'000	$'000
At 1 February 2014	–	–	(46)	112	66
Charge to profit or loss for the year (Note 21)	–	–	(16)	(14)	(30)
At 31 January 2015	–	–	(62)	98	36
Charge to other comprehensive income for the year	(102)	–	–	–	(102)
Credit (charge) to profit or loss for the year (Note 21)	–	137	(4)	6	139
At 31 January 2016	(102)	137	(66)	104	73

	Group	
	2016	2015
	$'000	$'000
Deferred tax assets	241	98
Deferred tax liabilities	(168)	(62)
	73	36

As at the end of the financial year, the Group's subsidiaries have tax losses and tax offsets of approximately $4,195,000 (2015 : $3,269,000) 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 $808,000 (2015 : $682,000) of such losses. No deferred tax asset has been recognised in respect of the remaining $3,387,000 (2015 : $2,587,000) 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.

11 TRADE AND OTHER PAYABLES

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Trade payables	**512**	243	**–**	–
Other payables:				
- Third parties	**167**	148	**20**	19
- Subsidiaries (Note 9)	**–**	–	**8,315**	8,416
- Accrued operating expenses	**276**	278	**67**	68
	955	669	**8,402**	8,503

Trade and other payables are non-interest bearing and are normally settled on 30 to 90 day (2015 : 30 to 90 day) terms.

12 PROVISIONS

	Provision for employee entitlement $'000	Provision for reinstatement $'000	Total $'000
At 1 February 2014	16	149	165
Arising during the year	132	3	135
Utilised	(132)	–	(132)
At 31 January 2015	16	152	168
Arising during the year	91	24	115
Utilised	(91)	(18)	(109)
At 31 January 2016	16	158	174

13 INTEREST-BEARING LOANS AND BORROWINGS

	Group	
	2016 $'000	2015 $'000
Current:		
Bank overdrafts, secured	**2,162**	1,018
Bills payable, secured	**457**	871
Term loan, secured	**20**	19
	2,639	1,908
Non-current:		
Term loan, secured	**361**	381
Total interest-bearing loans and borrowings	**3,000**	2,289

In 2016, interest-bearing loans and borrowings are secured by specific charges over the Company's fixed deposit of $3,400,000.

As at 31 January 2015, bank overdrafts and bills payable were secured by specific charges over the Group's leasehold property, corporate guarantees of $4,600,000 by the Company and floating charges on the other assets of the Group's subsidiaries and deeds of debenture which incorporated a fixed and floating charge over a subsidiary's current and future assets for $6,500,000 together with a letter of comfort from Johan Holdings Berhad, the former ultimate holding company (Note 25).

As at 31 January 2015, the term loan was secured by a first legal mortgage over a subsidiary's leasehold property (Note 8), a corporate guarantee of $5,900,000 by the Company, deeds of debenture which incorporated a fixed and floating charge over a subsidiary's current and future assets for $4,200,000 together with a letter of comfort from Johan Holdings Berhad, the former ultimate holding company (Note 25).

Bank overdrafts and bills payable bear fixed interest at rates ranging from 6.25% to 6.75% (2015 : 6.25% to 6.75%) per annum. Bank overdrafts are repayable on demand and bills payable average term is 120 days (2015 : 120 days).

The term loan bears fixed interest at 5.20% (2015 : 5.20%) per annum and is repayable over 300 monthly instalments commencing from August 2004 and will continue until July 2029.

14 FINANCE LEASE

	Minimum lease payments		Fair value of minimum lease payments	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Amounts payable under finance lease:				
Within one year	18	–	16	–
In the second to fifth years inclusive	65	–	57	–
	83	–	73	–
Less: Future finance charges	(10)	–	NA	NA
Present value of lease obligations	73	–	73	–
Less: Amount due for settlement within 12 months			(16)	–
Amount due for settlement after 12 months			57	–

The lease terms are for average of 5 years (2015 : Nil). The average effective borrowing rate was 5.5% (2015 : Nil%) 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 Company's obligations under finance leases are secured by the lessors' title to the leased assets.

15 SHARE CAPITAL

	2016	2015	2016	2015
	('000)	('000)	$'000	$'000
	Number of ordinary shares			
Issued and paid up:				
At the beginning of the year	150,000	150,000	14,250	14,250
Effects of share consolidation	(120,000)	–	–	–
At the end of the year	30,000[1]	150,000	14,250	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.

(1) On June 24, 2015, a share consolidation exercise was completed such that every five issued shares were consolidated into one share.

16 RESERVES

i) Foreign currency translation reserve

Exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into Singapore dollars are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of foreign currency translation reserve.

ii) Revaluation reserve

The property revaluation reserve arises on the revaluation of 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.

iii) Fair value reserve

Fair value reserve represents the difference between the cost and the fair value of financial assets that are classified as available-for-sale.

17 REVENUE

	Group	
	2016	**2015**
	$'000	**$'000**
Sales of health foods and supplements	**14,131**	15,787

18 INTEREST INCOME

	Group	
	2016	**2015**
	$'000	**$'000**
Short-term fixed deposits	**40**	70

19 OTHER INCOME

	Group	
	2016	**2015**
	$'000	**$'000**
Sundry income	**142**	216
Consignment fee	**125**	75
Gain on sale of investment securities	**–**	9
Dividend income from investment securities	**26**	44
Net fair value gain on investment securities	**–**	89
Others	**25**	–
	318	433

20 FINANCE COSTS

	Group	
	2016	2015
	$'000	$'000
Bank loan	**75**	94
Obligations under finance lease	**1**	–
Bank overdrafts	**94**	49
	170	143

21 INCOME TAX

Income tax recognised in profit or loss

	Group	
	2016	2015
	$'000	$'000
Current income tax		
- Current tax expense	**–**	40
- Overprovision in respect of previous years	**(79)**	(1)
Deferred income tax		
- Origination and reversal of temporary differences (Note 10)	**(139)**	30
	(218)	69

Domestic income tax is calculated at 17 % (2015 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The reconciliation between tax and the product of accounting (loss) profit multiplied by the applicable corporate tax rate for the years ended 31 January 2016 and 2015 are as follows:

	Group	
	2016	2015
	$'000	$'000
(Loss) Profit before tax from continuing operations	**(2,197)**	507
Income tax (benefit) expense calculated at 17% (2015 : 17%)	**(373)**	86
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(33)**	(23)
Adjustments:		
Non-deductible expenses	**218**	70
Income not subject to taxation	**(15)**	(152)
Effects of unused tax losses and tax offsets not recognised as deferred tax assets	**20**	82
Overprovision in respect of previous years	**(79)**	(1)
Others	**44**	7
Income tax (credit) expense recognised in profit or loss	**(218)**	69

21 INCOME TAX (cont'd)

Income tax relating to each other comprehensive income

	Group	
	2016	2015
	$'000	$'000
Deferred tax liability arising from revaluation of leasehold property	**(102)**	–

22 (LOSS) PROFIT FOR THE YEAR

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

	Group	
	2016	2015
	$'000	$'000
Audit fees paid to:		
- Auditors of the Company	**110**	102
- Other auditors	**1**	1
Non-audit fees paid to auditors of the Company	**–**	–
Employee benefits expense		
- Salaries and bonuses	**3,251**	2,819
- Central Provident Fund contributions	**500**	465
- Pension costs	**–**	13
Directors' remuneration	**41**	29
Operating leases expense	**3,663**	3,833
Foreign exchange loss, net	**82**	46

23 (LOSS) EARNINGS PER SHARE

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

	Group	
	2016	2015
	$'000	$'000
(Loss) Profit attributable to equity holders of the Company	**(1,979)**	438
Weighted average number of shares ('000)(1)	**30,000**	30,000
(Loss) Earnings per share - Basic (cents)	**(6.60)**	1.46

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

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

(1) On June 24, 2015, a share consolidation exercise was completed such that every five issued shares were consolidated into one share.

24 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.

Operating lease payments recognised as an expense in the consolidated statement of profit or loss and other comprehensive income during the year amounted to $3,663,000 (2015 : $3,833,000).

	Group	
	2016	2015
	$'000	$'000
Minimum lease payments paid under operating leases	**3,512**	3,532
Contingent rentals	**151**	301
	3,663	3,833

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

	Group	
	2016	2015
	$'000	$'000
Not later than one year	**3,178**	3,609
Later than one year but not later than five years	**2,663**	3,191
	5,841	6,800

(b) Corporate guarantee

As at 31 January 2016, no corporate guarantee is provided by the Group or Company.

As at 31 January 2015, the Company has provided a corporate guarantee to a bank for loans (Note 13) taken by subsidiaries. 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.

25 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

On 18 November 2015, Creative Elite Holdings Ltd, a company incorporated in the British Virgin Islands, acquired the Abacus Pacific N.V.'s shares in the Company and became the Company's immediate and ultimate holding company. As at 31 January 2015, the Company's immediate holding company was Abacus Pacific N.V., which is incorporated in The Netherlands and the ultimate holding company was Johan Holdings Berhad, which is incorporated in Malaysia and listed on Bursa Malaysia Securities Berhad. Related companies in these financial statements refer to members of the ultimate 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 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS (cont'd)

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related companies took place at terms agreed between the parties during the financial year:

	Group	
	2016	2015
	$'000	$'000
Sale of goods to a related company*	**176**	184
Management fees paid to ultimate holding company	**–**	40

* A subsidiary of Johan Holdings Berhad.

26 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	
	2016	2015
	$'000	$'000
Compensation of key management personnel		
Directors' fees		
- Directors of the Company	**41**	29
Short-term employee benefits	**397**	319
Defined contribution plans	**10**	9
	448	357
Comprise amounts paid to:		
- Directors of the Company	**41**	29
- Other key management personnel	**407**	328
	448	357

27 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.

27 SEGMENT INFORMATION (cont'd)

	Health Food Trade		Corporate		Adjustments and eliminations		Total	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue:								
External customers	**14,131**	15,787	**–**	–	**–**	–	**14,131**	15,787
Inter-segment	**4,237**	5,292	**–**	–	**(4,237)**	(5,292)	**–**	–
Total revenue	**18,368**	21,079	**–**	–	**(4,237)**	(5,292)	**14,131**	15,787
Results:								
Interest income	**–**	–	**40**	70	**–**	–	**40**	70
Dividend income	**–**	–	**26**	2,157	**–**	(2,113)	**26**	44
Depreciation expense	**293**	153	**–**	–	**–**	–	**293**	153
Other non-cash expenses	**386**	9	**–**	–	**–**	–	**386**	9
(Loss) Profit before tax	**(2,046)**	410	**(297)**	2,176	**146**	(2,079)	**(2,197)**	507
Assets:								
Additions to non-current assets	**421**	302	**–**	–	**–**	–	**421**	302
Segment assets	**21,705**	22,020	**30,529**	31,491	**(37,229)**	(37,062)	**15,005**	16,449
Segment liabilities	**12,108**	10,432	**8,721**	9,030	**(16,437)**	(16,149)	**4,392**	3,313

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	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Singapore	**13,797**	15,162	**2,794**	3,241
Malaysia	**206**	184	**–**	–
China	**128**	441	**152**	161
	14,131	15,787	**2,946**	3,402

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

There is no major customer arising from sales by the respective segments.

28 FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at end of the reporting period:

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Financial assets				
Loans and receivables (including cash and bank balances)	**4,938**	6,811	**3,663**	4,377
Available-for-sale financial assets	**519**	532	**519**	532
	5,457	7,343	**4,182**	4,909
Financial liabilities				
Amortised cost	**4,028**	2,958	**8,402**	8,503

(a) Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	$'000	$'000	$'000	$'000
Group and Company				
2016				
Financial assets:				
Equity instruments (quoted)				
- Available-for-sale (Note 7)	**519**	**–**	**–**	**519**
Group and Company				
2015				
Financial assets:				
Equity instruments (quoted)				
- Available-for-sale (Note 7)	532	–	–	532

The fair values of these securities are based on closing quoted market prices on the last market day of the financial year.

28 FINANCIAL INSTRUMENTS (cont'd)

(a) Fair value of financial instruments that are carried at fair value (cont'd)

Fair value hierarchy

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between Level 1, Level 2 and Level 3 during the financial years ended 31 January 2016 and 2015.

(b) 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 FINANCIAL AND CAPITAL 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 reviews and agrees 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.

(a) Credit risk management

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. There are no significant concentrations of credit risk by customers within the Group.

29 FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Credit risk management (cont'd)

Exposure to credit risk

The maximum amount the Company could be forced to settle on the specific charge over the Company's pledged fixed deposit in Note 4 (2015 : corporate guarantee in Note 24), if the full fixed deposit pledged (2015 : corporate guarantee) is claimed by the counterparty to the charge (2015 : corporate guarantee) is $3,400,000 (2015 : $2,289,000).

Based on expectations at the end of the reporting period, the Group 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 charge (2015 : guarantee) which is a function of the likelihood that the financial receivables held by the counterparty which are charged (2015 : 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 Group'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 receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2016		2015	
	$'000	% of total	$'000	% of total
By country:				
Singapore	**86**	**74**	78	11
Malaysia	**32**	**26**	613	83
Others	**3**	**–**	45	6
	121	**100**	736	100
By industry sectors:				
Health Food Trade	**121**	**100**	736	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 5.

(b) Liquidity risk management

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.

29 FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Liquidity risk management (cont'd)

At the end of the financial year, the Company's current liabilities exceed its current assets by $4,202,000 (2015 : $4,111,000). The Company's current liabilities are mainly due to amounts owing to wholly owned subsidiaries of $8,315,000 (2015 : $8,416,000). 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 the 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.

Group	Weighted average effective interest rate %	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Adjustment $'000	Total $'000
2016						
Financial assets						
Trade and other receivables	–	646	536	–	–	1,182
Available-for-sale investments	–	519	–	–	–	519
Cash and bank balances	–	356	–	–	–	356
Pledged fixed deposits	0.80	3,427	–	–	(27)	3,400
Total financial assets		4,948	536	–	(27)	5,457
Financial liabilities						
Trade and other payables		955	–	–	–	955
Interest-bearing loans and borrowings	5.2 to 6.75	2,815	156	336	(307)	3,000
Finance lease	5.5	18	65	–	(10)	73
Total financial liabilities		3,788	221	336	(317)	4,028
2015						
Financial assets						
Trade and other receivables	–	1,437	645	–	–	2,082
Available-for-sale investments	–	–	532	–	–	532
Cash and bank balances	–	2,723	–	–	–	2,723
Short-term deposits	2.33	2,053	–	–	(47)	2,006
Total financial assets		6,213	1,177	–	(47)	7,343
Financial liabilities						
Trade and other payables	–	669	–	–	–	669
Interest-bearing loans and borrowings	5.2 to 6.75	2,032	156	376	(275)	2,289
Total financial liabilities		2,701	156	376	(275)	2,958

29 FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Liquidity risk management (cont'd)

Company	Weighted average effective interest rate %	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Adjustment $'000	Total $'000
2016						
Financial assets						
Other receivables		**212**	**–**	**–**	**–**	**212**
Available-for-sale investments		**519**	**–**	**–**	**–**	**519**
Cash and bank balances		**51**	**–**	**–**	**–**	**51**
Pledged fixed deposits	**0.8**	**3,428**	**–**	**–**	**(28)**	**3,400**
Total financial assets		**4,210**	**–**	**–**	**(28)**	**4,182**
Financial liabilities						
Other payables, representing total financial liabilities	**–**	**8,402**	**–**	**–**	**–**	**8,402**
2015						
Financial assets						
Available-for-sale investments	–	–	532	–	–	532
Cash and bank balances	–	2,371	–	–	–	2,371
Short-term deposits	2.33	2,053	–	–	(47)	2,006
Total financial assets		4,424	532	–	(47)	4,909
Financial liabilities						
Other payables, representing total financial liabilities	–	8,503	–	–	–	8,503

The maximum amount that the Group could be forced to settle under the specific charge over the Company's fixed deposit in Note 4 (2015 : corporate guarantee in Note 24), if the full charge (2015 : guaranteed amount) is claimed by the counterparty to the charge (2015 : guarantee), is $3,400,000 (2015 : $2,289,000).

The earliest period that the charge (2015 : guarantee) could be called is within 1 year (2015 : 1 year) from the end of the reporting period. As mentioned in Note 29(a), the Group considers that it is more likely than not that no amount will be payable under the arrangement.

(c) Interest rate risk management

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 13 and 14).

No sensitivity analysis is prepared as the Group and the Company do not have any fixed deposits or interest bearing loans and borrowings on floating rates.

29 FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(d) Foreign exchange management

The Group transacts business in various foreign currencies, including the Australian Dollar ("AUD"), United States Dollar ("USD"), Hong Kong Dollar ("HKD"), Malaysian Ringgit ("MYR"), New Zealand Dollar ("NZD"), Thai Baht ("THB"), Euro ("EUR"), Taiwan Dollar ("NTD") and Japanese Yen ("JPY") and therefore is exposed to foreign exchange risk.

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:

	Assets		Liabilities	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Group				
AUD	**1**	2,535	**–**	–
USD	**62**	866	**203**	44
HKD	**–**	30	**–**	–
MYR	**–**	240	**–**	–
NZD	**–**	–	**256**	199
THB	**–**	70	**–**	–
EUR	**1**		**6**	–
JPY	**57**	–	**–**	–
NTD	**70**	70	**–**	–
Company				
AUD	**–**	2,535	**–**	–
USD	**–**	681	**–**	–

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.

29 FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(d) Foreign exchange management (cont'd)

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	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
AUD	**–**	127	**–**	127
USD	**7**	41	**–**	34
HKD	**–**	2	**–**	–
MYR	**–**	12	**–**	–
NZD	**(13)**	(10)	**–**	–
THB	**–**	4	**–**	–
NTD	**4**	4	**–**	–
JPY	**3**	–	**–**	–

(e) Equity price risk management

The Group is exposed to equity risks arising from equity investments classified as available-for-sale. Available-for-sale equity investments are held for strategic rather than trading purposes. The Group does not actively trade available-for-sale investments.

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity instruments. These instruments are quoted on the Singapore Exchange-Securities Trading. The Group does not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

In respect of available-for-sale equity investments, if the inputs to the valuation model had been 2% higher/lower while all other variables were held constant. The Group's net profit for the year ended 31 January 2016 would have been unaffected as the equity investments are classified as available-for-sale and no investments were disposed of or impaired and the Group's fair value reserves would increase/decrease by $10,000 (2015 : $11,000).

29 FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(f) Capital risk management

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 during the years ended 31 January 2016 and 31 January 2015.

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.

		Group	
	Note	2016	2015
		$'000	$'000
Interest-bearing loans and borrowings	13	**3,000**	2,289
Trade and other payables	11	**955**	669
Finance lease	14	**73**	–
Less: Cash and bank balances	4	**(356)**	(4,729)
Less: Pledged fixed deposits	4	**(3,400)**	–
Net cash		**272**	(1,771)
Equity attributable to the owners of the Company		**10,613**	13,136
Capital and net cash		**10,885**	11,365
Gearing ratio		**0.03**	NA

30 DIVIDENDS

	Group and Company	
	2016	2015
	$'000	$'000
Declared and paid during the financial year:		
Dividends on ordinary shares		
- Final exempt (one-tier) for 2015 at 0.20 cents per share (2014 : 0.8 cents per share)	**300**	1,200
- Interim exempt (one-tier) for 2016 at Nil cents per share (2015 : 0.30 cents per share)	**–**	450
Proposed but not recognised as a liability as at 31 January:		
Dividends on ordinary shares, subject to shareholders' approval		
- Final exempt (one-tier) for 2016 at Nil cents per share (2015 : 0.20 cents per share)	**–**	300

31 EVENTS AFTER THE END OF THE REPORTING PERIOD

On 4 February 2016, the available-for-sale investments of $519,000 disclosed in Note 7 was disposed of. As such, the amount was presented as current during the year ended 31 January 2016.

On 28 March 2016, the Company changed its name from Jacks International Limited to Camsing Healthcare Limited.

SHARE CAPITAL AS AT 20 APRIL 2016

Authorised Share Capital	:	$50,000,000.00
Issued and Fully Paid up Capital	:	$14,250,000.00
Class of Securities	:	Ordinary Shares
Voting Rights	:	One (1) vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS AS AT 22 APRIL 2016

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1 to 99	33	10.31	433	0.00
100 to 1,000	171	53.44	121,384	0.41
1,001 to 10,000	81	25.31	252,600	0.84
10,001 to 1,000,000	33	10.31	3,220,356	10.73
1,000,001 AND ABOVE	2	0.63	26,405,220	88.02
TOTAL	320	100.00	29,999,993	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 22 APRIL 2016

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1	CREATIVE ELITE HOLDINGS LIMITED	25,008,120	83.36
2	RHB SECURITIES SINGAPORE PTE LTD	1,397,100	4.66
3	DBS NOMINEES PTE LTD	600,000	2.00
4	OCBC SECURITIES PRIVATE LTD	465,100	1.55
5	JAY HOE JUN JIN	378,600	1.26
6	LIM GIM SENG	302,800	1.01
7	NG GUAN HEONG (HUANG YUANXIONG)	190,900	0.63
8	PHANG YOKE WEY (PANG XUEWEI)	171,000	0.57
9	HECTOMIC LIMITED	166,000	0.55
10	PEH CHIN CHIONG	130,000	0.43
11	MAYBANK KIM ENG SECURITIES PTE LTD	108,000	0.36
12	LEE LOI SING	104,700	0.35
13	GOH POH CHOO	80,000	0.27
14	LIM THIAN HOCK @ LIM THIAM HOCK	69,000	0.23
15	YIT TENG YUET	44,000	0.15
16	LU SHUISHAN	36,000	0.12
17	VENTURE VICTORY HOLDINGS LIMITED	34,000	0.11
18	LIM TIEW FANG	33,000	0.11
19	CHONG CHIN CHIN (ZHANG JINGJING)	32,000	0.11
20	CHONG KIAN CHUN (ZHANG JIANJUN)	32,000	0.11
		29,382,320	97.94

Analysis of Shareholdings

SUBSTANTIAL SHAREHOLDERS AS AT 22 APRIL 2016

Name of Shareholder	Direct interest	Deemed Interest	Total %
Creative Elite Holdings Limited	25,008,120		83.36

DIRECTORS' INTEREST AS AT 22 APRIL 2016

Name of Director	Direct interest	Deemed Interest	Total %
Lo Ching	–	25,008,120[1]	83.36
Liu Hui	–	–	–
Ong Wei Jin	–	–	–
Maurice Tan Huck Liang	–	–	–
Lau Chin Hock Kenneth Raphael	–	–	–

Note:-

(1) Lo Ching is deemed interested in the 25,008,120 shares registered in the name of Creative Elite Holdings Limited.

PERCENTAGE OF PUBLIC SHAREHOLDING

Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX") requires that at least 10% of the equity securities (excluding preference shares and convertible equity securities) of a listed company in a class that is listed is at all times held by the public. Based on information available to the Company as at 22 April 2016, the Company complies with Rule 723 in that 16.64% of its ordinary shares listed on the SGX were held by the public.

Location	Description	Site Area (sq. metre)	Tenure	% Interest	Net Book Value
SINGAPORE					
18 Kaki Bukit Road 3 #05-16, Entrepreneur Business Centre, Singapore 415978	Office	395	Leasehold - Expiring 08/01/2055	100%	$1,100,000

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("**AGM**") of Camsing Healthcare Limited (the "**Company**") will be held at 4 Shenton Way SGX Centre 2 #17-01, Singapore 068807 on Wednesday, the 25th day of May 2016 at 11.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and, if approved, adopt the Audited Accounts for the financial year ended 31 January 2016 together with the Directors' Report and Auditors' Report thereon. ***(Resolution 1)***

2. To approve the payment of prorated Directors' fees of S$28,000 and HKD72,000 (approximately S$12,600) for the financial year ended 31 January 2016. ***(Resolution 2)***

3. To approve the payment of Directors' fees of up to HKD360,000 (approximately S$63,000) for the financial year ending 31 January 2017, to be paid quarterly in arrears. ***(Resolution 3)***

4. To re-elect Ms. Lo Ching who is retiring under Article 96 of the Articles of Association, as Director of the Company. ***(Resolution 4)***

5. To re-elect Ms. Liu Hui who is retiring under Article 96 of the Articles of Association, as Director of the Company. ***(Resolution 5)***

6. To re-elect Mr. Lau Chin Hock Kenneth Raphael who is retiring under Article 96 of the Articles of Association, as Director of the Company. ***(Resolution 6)***
   [See Explanatory Note (i)]

7. To re-elect Mr. Maurice Tan Huck Liang who is retiring under Article 96 of the Articles of Association, as Director of the Company. ***(Resolution 7)***
   [See Explanatory Note (ii)]

8. To re-elect Mr. Ong Wei Jin who is retiring under Article 96 of the Articles of Association, as Director of the Company. ***(Resolution 8)***
   [See Explanatory Note (iii)]

9. To re-appoint Messrs Deloitte & Touche LLP as the Auditors of the Company 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.

BY ORDER OF THE BOARD

Lo Ching
Executive Chairman

SINGAPORE
10 May 2016

Explanatory Notes:

(i) If re-elected under Resolution 6, Mr. Lau Chin Hock Kenneth Raphael will remain as the chairman of the Audit Committee, member of the Nominating Committee and Remuneration Committee, and will be considered an Independent Director of the Company.

(ii) If re-elected under Resolution 7, Mr. Maurice Tan Huck Liang will remain as the chairman of the Remuneration Committee, chairman of the Nominating Committee and member of the Audit Committee, and will be considered an Independent Director of the Company.

(iii) If re-elected under Resolution 8, Mr. Ong Wei Jin will remain as a member of the Audit Committee, the Remuneration Committee and the Nominating Committee.

Notes:

(1) (a) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

(b) A member of the Company who is entitled to attend and vote at the Annual General Meeting who is and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

(2) The instrument or form appointing a proxy, duly executed, must be deposited at the office of the Company's share registrar, M & C Services Private Limited at 112 Robinson Road, #05-01 Singapore 068902 not less than 48 hours before the time appointed for holding the Annual General Meeting in order for the proxy to be entitled to attend and vote at the Annual General Meeting.

(3) A member of the Company, which is a corporation, is entitled to appoint its authorized representative or proxy to vote on its behalf.

(4) A proxy need not be a member of the Company

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company:

(a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");

(b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

CAMSING HEALTHCARE LIMITED

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

IMPORTANT

1. For investors who have used their CPF monies to buy the Company's shares, this Circular is sent to them at the request of their CPF Approved Nominees solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

*I/We ______________________________ (Name)

of ______________________________ (Address)

being a *member/members of Camsing Healthcare Limited (the "**Company**") hereby appoint:

Name	Address	*NRIC/Passport No.	Proportion of Shareholdings (%)

*and/or

Name	Address	*NRIC/Passport No.	Proportion of Shareholdings (%)

or failing *him/her/them, the Chairman of the Annual General Meeting ("**AGM**") of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the AGM of the Company to be held at 4 Shenton Way SGX Centre 2 #17-01, Singapore 068807 on 25 May 2016 at 11.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. All resolutions put to the vote at the AGM shall be decided by way of poll.

* Please delete accordingly

(Please indicate your vote "For" or "Against" with an "X" within the box provided. Otherwise please indicate the number of votes)

No.	Resolutions relating to:	For	Against
	Ordinary Business		
1.	Adoption of Audited Accounts for the financial year ended 31 January 2016 together with the Directors' Report and Auditors' Report thereon		
2.	Payment of prorated Directors' fees of S$28,000 and HKD72,000 (approximately S$12,600) for the financial year ended 31 January 2016		
3.	Payment of Directors' fees of up to HKD360,000 (approximately S$63,000) for the financial year ending 31 January 2017, to be paid quarterly in arrears		
4.	Re-election of Ms. Lo Ching as a Director of the Company		
5.	Re-election of Ms. Liu Hui as a Director of the Company		
6.	Re-election of Mr. Lau Chin Hock Kenneth Raphael as a Director of the Company		
7.	Re-election of Mr. Maurice Tan Huck Liang as a Director of the Company		
8.	Re-election of Mr. Ong Wei Jin as a Director of the Company		
9.	Re-appointment of Messrs Deloitte & Touche LLP as the Auditors of the Company and authorise the Directors to fix their remuneration		

Dated this ________ day of ______________ 2016.

Total No. of Shares	No. of Shares
In CDP Register	
In Register of Members	

____

Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap 289) of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. (a) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

   (b) A member of the Company who is entitled to attend and vote at the Annual General Meeting who is and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

3. The instrument appointing a proxy or proxies must be deposited at the office of the Company's share registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902 not less than 48 hours before the time appointed for the meeting.

4. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

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

6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

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

8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, 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 against his 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.

Directory of Nature's Farm Retail Outlets

NORTH

Ang Mo Kio Hub
53 Ang Mo Kio Ave 3
B2-19 Ang Mo Kio Hub
Singapore 569933
Tel: 6555-7160

Causeway Point
1 Woodlands Square
#B1-K26
Singapore 738099
Tel: 6877-0884

Junction 8
No. 9 Bishan Place
#01-04 Junction 8 Shopping Centre
Singapore 579837
Tel: 6251-4217

NEX Serangoon
23, Serangoon Central
#B2-53 Nex Serangoon
Singapore 556083
Tel: 6634-6159

Thomson Plaza
No. 301 Upper Thomson Road
#01-22/30 Thomson Plaza
Singapore 574408
Tel: 6458-3106

Toa Payoh Central
Blk.190 #01-552
Lorong 6 Toa Payoh
Singapore 310190
Tel: 6354-5633

SOUTH/CENTRAL

United Square
No. 101 Thomson Road
#B1-24 United Square
Singapore 307591
Tel: 6251-4853

Chinatown Point
133 New Bridge Road
#B1-04 Chinatown Point
Singapore 059413
Tel: 6444-2841

VivoCity
No. 1 HabourFront Walk
#B2-19 VivoCity
Singapore 098585
Tel: 6376-9639

Ngee Ann City
No. 391 Orchard Road
#B2-31A Ngee Ann City
Singapore 238874
Tel: 6735-1832

Plaza Singapura
68 Orchard Rd
#B2-19 Plaza Singapura
Singapore 238839
Tel: 6332-5843

The Arcade
No. 11 Collyer Quay
#01-14 The Arcade
Singapore 049317
Tel: 6224-0087

EAST

Bedok Mall
311 New Upper Changi Road
#B2-K18 Bedok Mall
Singapore 467360
Tel: 6702-5842

Parkway Parade
No. 80 Marine Parade Road
#B1-82/83 Parkway Parade
Singapore 449269
Tel: 6345-7126

Tampines Mall
No. 4 Tampines Central 5
#B1-16 Tampines Mall
Singapore 529510
Tel: 6787-2920

OneKM (Knowledge Mall)
11 Tanjong Katong Road
#B1-30 OneKM
Singapore 437157
Tel: 6702-5845

White Sands (NEW)
1 Pasir Ris Central Street 3,
#B1-K02
Singapore 518457
Tel: 6585-5256

Waterway Point (NEW)
83 Punggol Central,
#B2-21
Singapore 828761
Tel: 6702-6175

WEST

Bukit Timah Plaza
No. 1 Jalan Anak Bukit
#B2-03 Bukit Timah Plaza
Singapore 588996
Tel: 6469-2860

JEM
50 Jurong Gateway Road
#B1-29 JEM
Singapore 608549
Tel: 6339-9120

Jurong Point Shopping Centre
No. 1 Jurong West Central 2
#B1-21 Jurong Point
Singapore 648886
Tel: 6793-5461

West Mall
No. 1 Butik Batok Central Link
#02-02 West Mall
Singapore 658713
Tel: 6795-7303

Butik Panjang Plaza
No. 1 Jelebu Road
#01-04 Butik Panjang Plaza
Singapore 677743
Te: 6762-9847

BRUNEI

The Mall
G27B Ground Floor
The Mall, Abdul Razak Complex
Gadong BSB Be 3519, Brunei
Tel: +673 242 1633

Manggis Mall
Unit No. 2 First Floor,
Hua Ho Manggis Mall,
Lot 58799 Kampung Manggis,
Jalan Muara, Brunei Muara District
Tel: +673 233 7522

Camsing Healthcare Ltd
SGX Centre 2, #17-01, 4 Shenton Way, Singapore 068807