



Jacks International Limited

Incorporated in the Republic of Singapore
Reg. No.: 197903888Z

JACKS INTERNATIONAL LIMITED (REG. NO.: 197903888Z)

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015



ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015

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CORPORATE PROFILE

Jacks International Limited (Jacks) was incorporated in Singapore on 19 December, 1979 to implement a Scheme of Arrangement dated 22 December, 1979 under the Companies Act 1965 of Malaysia, whereby stockholders exchanged their holdings in William Jacks & Co. (Malaya) Berhad for an equivalent number of shares of \$1 each in Jacks.

Jacks is engaged in investment-related activities and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited. The Group's current principal activities are in the distribution and retailing of health foods and supplements in Singapore and Brunei.



Nature's Farm Pte. Ltd. began operations in Singapore in 1982 as the very first specialty health foods and supplement retailer in the market. Since its establishment, Nature's Farm® has been committed to delivering premium products that are made with the highest quality ingredients and manufactured using superior processes. Setting itself apart, the brand is firmly rooted in its commitment to offering quality products and outstanding customer service.

Currently one of the largest local health supplement retail chains, Nature's Farm® has a total of 24 retail outlets in major shopping malls in Singapore and 2 retail outlets in Brunei.

Pioneering the introduction of western supplements in Singapore, Nature's Farm® now offers an extensive and comprehensive range of quality health supplements such as Pycnogenol®, Mirtogenol®, Osteo AdvaCare and SkinPURE+ under its own brand, Nature's Farm®. Products under the Nature's Farm® brand are developed in collaboration with leading health supplement companies in the United States, Japan, France, Norway, Switzerland, Australia, New Zealand and Taiwan.

Some unique health supplements available exclusively at Nature's Farm® include DétoQ•59, Allure+ Collagen, Dr. Ohhira's OMX-Deluxe 5, Wakunaga Kyo-Dophilus®, Sukoyaka Collagen Matrix and Senseiro Agaricus.

General nutrition brands available include BioScience, FoodSource, Happy Kidz, Bluebonnet Nutrition®, Wakunaga, NOW®, Coromega®, Yummi-Bears® and Norwegian Fish Oil®. Sports nutrition supplements include Power System, TwinLab and Scitec® Nutrition.

Natural skincare and toiletries brands consist of Derma-e®, Mill Creek®, Lily of the Desert, Only Emu® and KuuSh™. Beauty and weight management brands include Royal Essence, NutriXant®, Sukoyaka, SlimMax and SlimCentials™. Natural foods, organic foods and manuka honey brands include Nature's Farm®, Comvita®, North Island and Haddrell's of Cambridge.

Corporate Information

BOARD OF DIRECTORS

Tan Sri Dato' Tan Kay Hock

(Chairman/Non-Independent Non-Executive Director)

Puan Sri Datin Tan Swee Bee

(Non-Independent Non-Executive Director)

James Koh Chuan Lim

(Non-Independent Non-Executive Director)

Jaginder Singh Pasricha

(Independent Non-Executive Director)

Ong Seng Pheow

*Appointed on 27 October 2014
(Independent Non-Executive Director)*

COMPANY SECRETARIES

James Koh Chuan Lim
Peter Tam Kui Pui

REGISTERED OFFICE

7500-E, Beach Road
#03-201 The Plaza
Singapore 199595
Tel : (65) 6295 2027
Fax : (65) 6296 5981

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
Standard Chartered Bank
United Overseas Bank Limited

STOCK EXCHANGE LISTING

Singapore Exchange Securities Trading Limited

TAN SRI DATO' TAN KAY HOCK*(Chairman/Non-Independent Non-Executive Director)*

Tan Sri Dato' Tan Kay Hock was appointed as a Director and Non-Executive Chairman on 17 January 1983. He is a lawyer by training having been called to the Bar by Lincoln's Inn, UK in 1971. In 1972, he was admitted as an advocate and solicitor to the Supreme Court of Malaysia. He is a non practising lawyer. He is also the Chairman and Chief Executive of Johan Holdings Berhad and Non-Executive Chairman of George Kent (Malaysia) Berhad, both listed on Bursa Malaysia Securities Berhad, Malaysia. He is a Committee Member of the Malaysian Phillipines Business Council and a Trustee of Malaysian Humanitarian Foundation.

PUAN SRI DATIN TAN SWEE BEE*(Non-Independent Non-Executive Director)*

Puan Sri Datin Tan Swee Bee was appointed as a Director on 30 September 1989. She is a UK trained Barrister-at-Law from Lincoln's Inn, UK in 1971. In 1972, she was admitted as an advocate and solicitor to the Supreme Court of Malaysia. She is a non practising lawyer. She is also the Group Managing Director of Johan Holdings Berhad and Non-Executive Director of George Kent (Malaysia) Berhad, both listed on Bursa Malaysia Securities Berhad, Malaysia.

JAMES KOH CHUAN LIM*(Non-Independent Non-Executive Director)*

James Koh Chuan Lim was appointed as a Director on 29 July 1987. He is a fellow of both the Chartered Institute Of Management Accountants (UK) and the Association of Chartered Certified Accountants (UK). He is also Executive Director - Regional Operations of Diners Club (Singapore) Pte Ltd and an Executive Director of Diners Club (Malaysia) Sdn Bhd.

Profile of Board of Directors

JAGINDER SINGH PASRICHA*(Independent Non-Executive Director)*

Jaginder Singh Pasricha was appointed as a Director on 10 August 2005. Mr Pasricha was a barrister and solicitor of the Supreme Court of Victoria since 1979. He had conducted a boutique law firm specialising in commercial and corporate matters prior to joining an international investment bank to lead the investment bank's real estate operations in India. Mr Pasricha has extensive experience in real estate transactions, corporate structuring, tax planning, mergers and acquisitions, company listing, international cross border transactions, debt restructuring, joint ventures and negotiating complex transactions, acting for a select corporate clientele in Australia and Asia. Mr Pasricha is the Managing Director, Investments and Corporate of Singapore Listed Thakral Corporation Limited. He is a graduate of King's College London University where he also read his masters at law. He is a member of the Honourable Society of the Inner Temple.

ONG SENG PHEOW*(Independent Non-Executive Director)*

Ong Seng Pheow was appointed as a Director on 27 October 2014. He has over 34 years experience in public practice with an international firm of accountants. He was the National Director of Assurance and Advisory Business Services of Ernst & Young Malaysia from 1994 until 2003. He is also Independent Non-Executive Director and Chairman of the Audit Committee of three other public listed companies in Malaysia, namely Daiman Development Berhad, LCTH Corporation Berhad and George Kent (Malaysia) Berhad. He is also Non-Executive Director of RHB Bank Berhad and RHB Insurance Berhad. Mr. Ong is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants (MIA).

Group Senior Management



SIMON LOW KEAN JIN

Regional Director

William Jacks & Co. (Singapore) Pte. Ltd.
Nature's Farm Pte. Ltd.

Mr Simon Low joined the company as Senior General Manager in September 2005. He obtained his Master Degree in Business Administration from University of Miami, Florida USA. He has 26 years working experience in marketing and sales both in the local and overseas market. Previously, he held senior positions with several renowned Fast Moving Consumer Goods (FMCG) companies.

Chairman's Statement



Dear Shareholders,

On behalf of your Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Jacks International Limited for the financial year ended 31 January 2015 ("FY 2014/15").

ECONOMIC REVIEW

The global economy picked up only marginally in 2014, to 2.6% from 2.5% in 2013, as many high-income countries continue to grapple with legacies of the global financial crisis and emerging economies are less dynamic than in the past. The US economy finally showed some positive signs since the launch of quantitative easing measures five years ago, though growth of 2.4% was still weak. Europe, with GDP growth of 0.9%, fared worse amid fears that it might fall into recession for the third time.

Commodity prices saw large swings, with oil prices collapsing to USD 50 per barrel towards the end of 2014, the lowest since the 2009 global financial crisis. While lower oil prices are a boon for oil-importing countries, the sharpness of the drop created uncertainty in global markets.

Domestically, the tighter labour market, lacklustre global economy, strong Singapore Dollar coupled with plunging tourist arrival and restructuring weighing on certain sectors have hit retailers particularly hard. Singapore's GDP growth eased to 2.9% from 4.4% in 2013.

FINANCIAL REVIEW

FY2014/15 continued to be very challenging for your Group.

In Singapore, stiff competition and languishing demand in the health foods and supplements business have spurred retailers to mark down on selling prices, contributing to lower takings. In addition, the tight labour market, lacklustre economy and strong Singapore Dollar have hit retailers hard. The Singapore Retailers Association had drew attention to the industry that sales have been poor and retailers have been not able to drive sales even with discounts.

Against this backdrop of a challenging operating environment, your Group recorded lower revenue of S\$15.787 million compared to S\$16.067 million for the last financial year ended 31 January, 2014 ("FY 2013/14"), down by 1.7%. Gross profit was S\$9.346 million compared to S\$9.595 million for FY2013/14 with GP margin being sustained at 59.2% (FY2013/14 : 59.7%) .

Marketing and distribution expenses amounted to S\$7.154 million, down 1.7% from S\$7.279 million in FY2013/14 as the level of advertising and promotion expenses need to be continued and sustained in order to attract and drive sales in the retail outlets.

Chairman's Statement

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Administrative expenses reduced to S\$2,045 million, down 37.3% from S\$3,264 million due to several costs cutting measures implemented to reduce operating costs.

Your Group recorded a profit before tax of S\$507,000, compared to a loss before tax of S\$805,000 for FY2013/14. The positive turnaround in your Group's performance was attributed to the timely disposal of the loss making subsidiary, Skinner Engineering Pty Ltd which was completed in May 2013.

As at 31 January 2015, Shareholders' Fund at Group level stood at S\$13.136 million, compared to S\$14.391 million in FY2013/14. Total Borrowings was S\$2.289 million (FY2013/14 : S\$2.125 million).

Profit after tax per share was 0.29 cents, compared to Loss per share of 0.74 cents for FY2013/14. Net Tangible Assets per share was 8.73 cents (2013/14: 9.55 cents)

REVIEW OF OPERATIONS

Health Foods & Supplements Business

Nature's Farm's marketing and promotional activities during the financial year under review included monthly atrium sales events held at various shopping malls across Singapore. These include shopping malls in the city, such as Plaza Singapura, United Square, Vivo City and Ngee Ann City; as well as shopping malls in heartlands, such as West Mall, Parkway Parade, Northpoint, Causeway Point, Bedok Mall, NEX Serangoon, Compass Point, JEM and Tampines Mall. Atrium sales events are usually scheduled to run over the course of seven days, from Monday to Sunday, and are supported by marketing communication activities, including postcard mailers, electronic direct mailers (e-DMs) and SMSes. At atrium sales events, customers enjoy a variety of attractive promotions such as range discounts; Purchase-with-Purchase, which entitles them to purchase a selected range of products at specially discounted prices; Gift-with-Purchase, whereby they can redeem a selected free gift with a minimum purchase; Hot Buys; 2nd at \$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 the Yuanxiao Festival, annual Great Singapore Sale (GSS), 49th National Day, Christmas and Lunar New Year. The Great Singapore

Sale 2014 promotion featured range discounts, additional dollars off, VVIP cut-out coupons, Purchase-with-Purchase specials, Gift-with-Purchase, Sure-Win Lucky Dip and a Grand Lucky Draw. The Sure-Win Lucky Dip offered customers a chance to win themselves prizes from a range of selected products such as Pycnogenol®, Manuka Honey and Allure; while prizes up for grabs in the Grand Lucky Draw consisted of 5 sets of Samsung Galaxy S5 mobile phones. Among the promotional activities planned in January 2015 was celebration of Lunar New Year where the instant Sure-Win Angbao Dip, whereby customers could win attractive prizes such as Golden Goat 24K Gold-plated Medallions, Golden Goat Coins and traditional Chinese snacks; and the Grand Angbao Lucky Draw, where 10 lucky customers stood a chance to win \$888 each.

To support retail promotions, Nature's Farm engaged marketing activities such as in-store marketing collaterals, visual merchandising, direct mailers, and newspaper advertising in popular print media such as My Paper, The New Paper, TODAY and The Straits Times.

During the financial year under review, Nature's Farm also worked closely with Standard Chartered and had the opportunity to participate in a corporate sales event held at GlobalFoundries. In addition to that, Nature's Farm managed to establish many collaborative partnerships with various organisations that include banks such as Citibank, DBS Bank Ltd, Oversea-Chinese Banking Corporation (OCBC), Standard Chartered, Bank of China, Diners Club, CIMB Group and Bank of China to offer banking customers and card members exclusive discounts. Other partnerships included government-supported organisations, such as Civil Service Club, NTUC Income, MINDEF (Singapore Armed Forces), PAssion Card and C3A (Council for Third Age).

In Q3 of FY2014/15, Nature's Farm contributed to a Cancer Screening and Prevention Health Seminar organised by Mount Elizabeth Novena Hospital. Promotional vouchers for Supercritical Propolis 1600mg 30s, a premium immune-supporting health supplement, were placed in goodie bags that were distributed to over 150 attendees that turned up for the event. The public talk featured a panel of three prominent doctors who shared advice on the prevention and screening options of common cancers, including Gastrointestinal Tract Cancer and Breast Cancer – two commonly diagnosed cancers in Singapore.

Nature's Farm continued supporting the LionsSaveSight Centre (Singapore) through their Lions Recycle for Sight Singapore community project. Following its efforts from the previous year, Nature's Farm continued placing collection boxes at various retail outlets for the public to donate glasses to needy recipients of the above-mentioned charity.

To promote business growth, Nature's Farm is in an endless bid to widen its range of product offerings. Some new products launched include Supercritical Propolis, the new and improved BioScience Allure+ Collagen Beauty Drink and Nature's Farm SkinPURE+, 360° Clear Liquid Lutein, Multi-Flex Liquid Glucosamine Plus and Osteo AdvaCare.

CORPORATE EXERCISE

The Monetary Authority of Singapore and the Singapore Exchange Securities Trading Limited ("SGX-ST") have effective from 2 March 2015 introduced a Minimum Trading Price of S\$0.20 (the "MTP") for Mainboard-listed issuers as a continuing listing requirement to address risks associated with low-priced securities and to improve overall market quality. Issuers that fail to fulfil the MTP requirement at the first review date on 1 March 2016 or any of the subsequent



Chairman's Statement

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quarterly reviews will be immediately placed on the Watch List of the SGX-ST. Issuers placed on the Watch List on or after 1 March 2016 will have a 36-month period to exit from the Watch List. Issuers who fail to exit the Watch List by complying with the MTP requirement will be subject to de-listing from SGX-ST.

The market price of the Company's shares traded on the SGX-ST for the six months from October 2014 to March 2015, ranged from a high of \$0.077 to a low of \$0.066, meaning that your Company will be an affected Issuer under the MTP requirement.

In the absence of any foreseeable corporate action which upon completion by 1 March 2016, would result in the Company complying with the MTP requirement, your Board had on 24 March 2015 announced, subject to shareholders' approval, to implement a proposed share consolidation of every five (5) existing ordinary shares into one (1) ordinary share (the "Proposed Share Consolidation") to enable the Company to comply with the MTP requirement. The Proposed Share Consolidation will result in the existing total issued 150,000,000 shares being consolidated into approximately 30,000,000 Consolidated Shares. Your Company issued share capital of \$14,250,000 remain unchanged. To date, a total of fifty-five (55) other Issuers have announced proposals to implement share consolidation in order to fulfil the MTP requirement to be assessed by SGX-ST at the first review date on 1 March 2016.

Your Board on 21 April 2015 announced that in-principle approval was received from the SGX-ST for the listing and quotation of up to 30,000,000 Consolidated Shares.

Shareholders will in due course receive a Circular to Shareholders providing all relevant information on the Proposed Share Consolidation, the implementation of which requires an ordinary resolution to be passed by shareholders at the Extraordinary General Meeting (EGM)

to be convened immediately after the conclusion of the Annual General Meeting of the Company to be held on Thursday, 28 May 2015. Included in the Circular to Shareholders is a Special Resolution, to be approved by shareholders, for relevant provision in the existing Articles of Association to be amended to align with new listing rules introduced by SGX-ST, effective from 1 August 2015, for voting by poll for all resolutions at general meetings and disclosures of relevant details on voting outcomes.

The Directors are of the opinion that the proposed amendments to the Articles of Association and the Proposed Share Consolidation are in the best interests of the Company. Accordingly, the Directors have recommended that shareholders vote in favour of both resolutions to be tabled for consideration at the said EGM.

DIVIDEND

An Interim Exempt One-tier dividend of 0.3 cents per share in respect of FY2014/15 (FY2013/14 : Nil) was paid on 2 October 2014.

As announced on 23 March 2015, your Board has recommended payment of a Final Exempt One-tier dividend of 0.2 cents per share in respect of FY2014/15 (2013/14 : 0.8 cents). Payment of this dividend is subject to approval by shareholders at the Annual General Meeting of your Company to be held on 28 May 2015.

DIRECTORATE

In July 2014, Mr. Ooi Boon Leong retired as an Independent Non-Executive Director. On behalf of your Board of Directors, I would like to thank Mr. Ooi for his valuable contribution and wise counsel during his 9 year tenure of office. We wish to convey our best wishes to him and to wish him well.

We wish to welcome Mr. Ong Seng Pheow, who joined your Board as an Independent Non-Executive Director on 27 October 2014 and as Chairman of the Audit Committee. Mr. Ong, Chartered Accountant, brings with him a diverse wealth of experience as a former partner for 19 years in Ernst & Young, Kuala Lumpur.

OUTLOOK

Global economic growth in 2015 is likely to be subdued. Whilst the US economic recovery is gaining momentum, the

outlook for the other major economies is comparatively less secure. In the Eurozone, member economies are facing strong disinflationary pressures and struggling to revive growth. China's growth has also moderated as it restructures its economy for more sustainable growth. Slower global growth together with the collapse of oil and commodity prices are expected to impart strong deflationary influences across the world.

Amidst this challenging global economic environment, externally-orientated sectors such as the manufacturing and wholesale trade sectors are likely to face headwinds. Domestically, the labour market is expected to remain tight, with low unemployment and rising vacancy rates. As a result, labour-intensive sectors such as construction, retail and food services may see growth weighed down by labour constraints. Taking into account the above factors, the Ministry of Trade and Industry Singapore has maintained the growth forecast for 2015 at 2.0% to 4.0%.

Nature's Farm will continue to boost sales in its retail outlets by fostering stronger customer connections and loyalty, focussing on new products development to expand its products range. Your Board will continue to reduce operating costs where possible, improve operational efficiencies, seek new markets and business opportunities for the Health Foods & Supplements business.

ACKNOWLEDGEMENT

On behalf of your 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.

TAN SRI DATO' TAN KAY HOCK

Chairman
27 April 2015

Group Financial Highlights



Year Ended 31 January	2015 \$'000	2014 \$'000	Changes %
Results			
Revenue	15,787	16,067	-2
Profit/(Loss) before tax	507	(805)	N.M
Profit/(Loss) attributable to shareholders	438	(1,106)	N.M
At Balance Sheet Date			
Shareholders' funds	13,136	14,391	-9
Total assets	16,449	17,724	-7
Per Ordinary Share			
Profit/(Loss) per share (cents)	0.29	(0.74)	N.M
Net tangible assets per share (cents)	8.73	9.55	-9
Financial Ratios			
Return on shareholders' funds (%)	3.33	(7.68)	N.M
Net debt-equity ratio	0 : 1	0 : 1	-
Interest cover (times)	4.55	(4.78)	N.M

N.M : Not Meaningful

Group Financial Highlights

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Year Ended 31 January	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000	2011 \$'000
Income Statement					
Revenue	15,787	16,067	18,523	28,654	29,949
(Loss)/Profit before tax	507	(805)	(137)	1,762	1,398
Income tax credit/(expense)	(69)	88	(30)	(611)	(129)
(Loss)/Profit for the year	438	(717)	(167)	1,151	1,269
(Loss)/Profit attributable to owners of the parent	438	(1,106)	(147)	1,151	1,269
Balance Sheet					
Property, plant and equipment	2,096	1,947	1,635	1,642	1,773
Other receivables - non-current	676	893	984	947	991
Long term investment	532	531	545	-	-
Net current assets	10,177	11,353	12,671	14,189	13,255
Deferred tax assets	98	112	325	280	351
Total assets employed	13,579	14,836	16,160	17,058	16,370
Shareholders' funds	13,136	14,391	15,589	16,456	15,700
Long term liabilities	381	399	533	589	665
Deferred tax liabilities	62	46	38	13	5
Total funds invested	13,579	14,836	16,160	17,058	16,370
Per Ordinary Share					
(Loss)/Profit after tax attributable to owners of the parent (cents)	0.29	(0.74)	(0.10)	0.77	0.85
Net tangible assets (cents)	8.73	9.55	10.15	10.79	10.23
Gross dividend (cents)					
- Interim	0.3	-	-	-	-
- Final	0.2	0.8	0.3	0.4	0.3
Financial Ratios					
Return on shareholders' funds (%)	3.33	(7.68)	(0.94)	6.99	8.08
Net debt-equity ratio	0 : 1	0 : 1	0 : 1	0 : 1	0 : 1
Interest cover (times)	4.55	(4.78)	0.15	7.48	8.52

Report on Corporate Governance

Jacks International Limited (the "Company") recognises the importance and is committed to maintain high standards of corporate governance in conformity with the revised Code of Corporate Governance 2012 ("the Code") which was issued on 2 May 2012 by the Monetary Authority of Singapore (the "2012 Code"). Unless otherwise stated below, the Company is in compliance with the requirements of the Code.

I. BOARD MATTERS

The Board's Conduct of Affairs

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

- Reviewing and adopting a strategic plan for the Company and the Group
- Overseeing the overall conduct of the Company's business and that of the Group
- Identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks
- Reviewing the adequacy and integrity of internal controls systems and management information systems in the Company and within the Group
- Developing and implementing a sound communications policy for investor relations
- Succession planning, including appointing and determining compensation of senior management

The Board has adopted internal guidelines specifying matters reserved for approval by the Board. Management was also given clear directions on matters (including set thresholds for certain operational matters relating to subsidiaries) that require the Board's approval.

Certain material matters that require the Board's approval are as follows:

- setting of strategic direction or policies or financial objectives which have or may have material impact on the profitability or performance of the Group
- decisions to commence, discontinue or modify significantly any business activity or to enter or withdraw from a particular market sector, corporate or financial restructuring
- 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
- material acquisition and disposal of assets
- reviews and approves all corporate actions for which shareholder approval is required
- any other matters which require Board approval as prescribed under the relevant legislations and regulations as well as the provisions of the Company's Articles of Association

The Board convenes at least four (4) Board Meetings a year, with additional meetings to be convened as and when necessary. The Company's Articles of Association allow for tele-conference and video-conference meetings to facilitate participation by Board members and Management. During the financial year ended 31 January 2015, the number of Board of Directors' Meetings held and the attendance of each Director were as follows:-

Directors	No. of Board Meetings	
	Held*	Attended
Tan Sri Dato' Tan Kay Hock (Chairman)	4	4
Puan Sri Datin Tan Swee Bee	4	4
James Koh Chuan Lim	4	3
Ooi Boon Leong @ Law Weng Leun (Resigned on 4 July 2014)	2	1
Jaginder Singh Pasricha	4	3
Ong Seng Pheow (Appointed on 27 October 2014)	1	1

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

Report on Corporate Governance

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I. BOARD MATTERS *cont'd*

The Board's Conduct of Affairs *cont'd*

New Directors are briefed on the Group's businesses and corporate governance policies. Familiarization visits are organised, if necessary, to facilitate a better understanding of the Group's operations. The Company from time to time informs Board members of changes in the relevant regulatory and accounting standards requirements. All Directors are giving continuous and ongoing training programmes by attending courses, seminars and talks. During the year, the Directors in their individual capacity and as Director of other public listed companies, had attended courses, briefings and seminars, relating to risk management, corporate governance, investors relations and financial statements reporting requirements.

Board Composition and Guidance

The Board of Directors presently comprises of five (5) Non-Executive Directors, two (2) of whom are independent. The Directors are Tan Sri Dato' Tan Kay Hock (Chairman), Puan Sri Datin Tan Swee Bee, James Koh Chuan Lim, Jaginder Singh Pasricha (Independent) and Ong Seng Pheow (Independent). There is a strong and independent element on the Board, with more than one-third of the Board comprising independent Directors. No individual or small group of individuals dominates the Board's 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 non-executive directors play key supporting roles, contributing their knowledge and experience towards formulating policies and in the decision-making process. The independent non-executive directors bring with them objective and independent judgement to decision-making. A profile of each Director is included in Page 3 of this Annual Report.

The Company deems a Director as independent in accordance with the 2012 Code's definition of "Independent" Director. The Board also assesses the Independent Director's independence to ensure ongoing compliance with this requirement annually.

The Board has reviewed the size of the Board and is of the view that the current Board size comprises of five (5) Non-Executive Directors are 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.

Chairman

The Chairman of the Board is Tan Sri Dato' Tan Kay Hock, a Non-Independent Non-Executive Director. As Chairman of the Board, he bears primary responsibility for the workings of the Board, by ensuring effectiveness on all aspects of its role including setting agenda for Board Meetings with input from Management, ensuring that sufficient time is allocated for discussion of agenda items at Board Meetings, promoting an open environment at Board Meetings for constructive debate, encouraging all the directors to speak freely, and exercising control over the quality, quantity and timeliness of information flow between the Board and Management. At Annual General Meetings and other shareholders' meetings, he plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Management.

The 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 clear division of responsibilities between the Board and the Management.

Taking cognizance that the Chairman is not an independent Director, the Board has appointed Mr Ong Seng Pheow, who replaced Mr Ooi Boon Leong @ Law Weng Leun, as Lead Independent Director ("Lead ID") to serve as a sounding board for the Chairman and also as an intermediary between the Non-Independent Directors. Meeting of the Independent Non-Executive Directors will be convened without the presence of Management or the Chairman, if necessary.

Report on Corporate Governance

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I. BOARD MATTERS *cont'd*

Board Membership

Given the current size of the Board, the Directors are of the view that it is not necessary for the time being, to formally establish a Nomination Committee. The Board had adopted a clear policy for assessing the contribution by the Chairman and each individual Director, including new Director, to the effectiveness of the Board.

In accordance with the Articles of Association of the Company at least one-third of the Directors are required to retire by rotation at each Annual General Meeting ("AGM") but shall be eligible for re-election. Newly appointed Directors are required to retire at the next AGM but shall be eligible for re-election.

Director over seventy years (70) of age are required to submit themselves for re-appointment annually in accordance with Section 153(6) of the Companies Act, Cap 50.

The independence of any director who has served on the Board beyond nine (9) years from the date of his first appointment is subject to review by the Board.

Mr Jaginder Singh Pasricha, an Independent Non-Executive Director, has served on the Board for more than nine (9) years. The Board is of the view that a director's independence cannot be determined solely on the basis of length of time. Instead, a director's contribution in terms of experience, expertise, professionalism, integrity, objectivity is more crucial. The Board conducts an annual assessment in assessing the independence of a director based on amongst others, the following criteria:-

- (a) Fulfilment of the independence criterion based on the guidelines provided in the 2012 Code;
- (b) Ability to continue exercising objective and independent judgement in active deliberations and decision making process of the Board with a view to the best interests of the Company;
- (c) Has no any interest, business, relationship and/or any other material contractual relationships with the Group which could reasonably be perceived to compromise his independence and interfere with the exercise of his independent business judgement.

After due and careful rigorous review, the Board is of the view that Mr Jaginder Singh Pasricha remains independent in his exercise of judgement and objectivity in Board matters. He also has over time, developed increased insight with the Group's business operations and therefore can contribute to the effectiveness of the Board as a whole.

Please refer to the Profile of Board of Directors as set out on Page 3 of the Annual Report for key information on the Directors, and the Notice of AGM as set out on Page 83 of the Annual Report for Directors proposed for re-election. Currently, no alternate Directors have been appointed in respect of any of the Directors.

The Board has set the maximum number of five (5) listed company board representations which any Director of the Company may hold at any one time. All Directors have complied with this requirement.

Board Performance

The Company has conducted an assessment of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board. The Board assesses the Board's performance as a whole annually, using objective and appropriate quantitative and qualitative criteria. When assessing the overall Board performance, the Board takes into consideration the feedback from individual Directors on areas relating to the Board's competencies and effectiveness.

The Board also evaluated each Director's performance via self and peer evaluation, mix of skills and independence of Independent Directors with questionnaire for completion by each individual Board member based on certain assessment parameters.

Report on Corporate Governance

cont'd

I. BOARD MATTERS *cont'd*

Access to Information

Board members are provided with quarterly management reports and furnished from time to time with relevant information on material events and transactions to keep them informed on decisions and actions of the Group's executive management.

Detailed Board papers and agenda which include sufficient information from management on financial, business and corporate issues are circulated in advance before each Board Meetings to enable the Directors to carry out their duty and responsibilities. Senior management staffs are also invited when necessary to attend Board Meetings to provide Directors with further explanation and clarification on matters being tabled for consideration by the Board.

All Directors have access to the advice and services of the Company Secretaries. The Company Secretaries are responsible for ensuring that the Board procedures are followed and relevant requirements of applicable rules and regulations are complied with. The Directors are updated by the company secretaries with new statutory or regulations requirements concerning their duties and responsibilities.

The appointment and the removal of a company secretary is a matter for the Board.

Aside from access to the advice and services of Management and the Company Secretaries, the Directors may, in appropriate circumstances, seek independent professional advice concerning the Company's affairs at the Company's expense.

II. REMUNERATION MATTERS

The Company does not have any Executive Directors or staff on its payroll. As such, the Board is of the view that for the time being, there is no necessity for a Remuneration Committee to be established.

The Independent Non-Executive Directors are paid an annual basic fee and any increase of which are subject to approval by shareholders at the AGM. Particulars of fee paid to them for the year ended 31 January 2015 are shown as below:-

	Director's Fee	
	2015 \$'000	2014 \$'000
Remuneration Band		
\$250,000 to \$500,000	-	-
Below \$250,000		
Ooi Boon Leong @ Law Weng Leun (<i>Resigned on 4 July 2014</i>)	7.5	17.5
Jaginder Singh Pasricha	17.5	17.5
Ong Seng Pheow (<i>Appointed on 27 October 2014</i>)	4.4	-

Report on Corporate Governance

cont'd

II. REMUNERATION MATTERS *cont'd*

The other three (3) Directors, namely Tan Sri Dato' Tan Kay Hock, Puan Sri Datin Tan Swee Bee and Mr James Koh Chuan Lim do not receive any remuneration or fee for their services.

The Company does not have any staff on its payroll. The Company undertakes to disclose the remuneration bands payable to the top five key management personnel (who are not Directors) should any key management personnel be recruited in future. 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.

The Group does not have any employees who are immediate family members of any Director, whose remuneration exceeded S\$50,000 for the year ended 31 January 2015.

III. ACCOUNTABILITY AND AUDIT

Accountability

The Board seeks to present a balanced, clear as well as a meaningful assessment of the Group's financial position and prospects. This is disseminated through the release of half year and full year results announcement. The Board is responsible to ensure that the financial statements are drawn up in accordance with the Singapore Financial Reporting Standards and the provisions of the Companies Act, Cap 50.

Audit Committee

The Audit Committee was established on 12 March 1991 and currently comprises of three (3) Non-Executive Directors, two (2) of whom are Independent Director. The Audit Committee does not have executive powers but reports to the Board on all matters being considered and make recommendations thereon for decision by the Board. The existing members comprised of:-

- | | |
|--------------------------------|---|
| 1. Ong Seng Pheow | (Independent Non-Executive Director) – Chairman
– Appointed on 27 October 2014 |
| 2. Jaginder Singh Pasricha | (Independent Non-Executive Director) |
| 3. Puan Sri Datin Tan Swee Bee | (Non-Independent Non-Executive Director) |

The Audit Committee meet at least twice a year to review the Group's half year and full year results, any major audit findings raised by external auditors and internal auditors and Management's response thereon. During the financial year ended 31 January 2015, the number of Audit Committee Meetings held and the attendance of each member were as follows:-

AC Members	No. of Audit Committee Meetings	
	Held*	Attended
Ooi Boon Leong @ Law Weng Leun (Chairman) (Resigned on 4 July 2014)	1	1
Ong Seng Pheow (Chairman) (Appointed on 27 October 2014)	-	-
Jaginder Singh Pasricha	2	2
Puan Sri Datin Tan Swee Bee	2	2

* The number of meetings indicated "Held" above reflects the number of meetings held during the time the respective Committee members held office.

Report on Corporate Governance

cont'd

III. ACCOUNTABILITY AND AUDIT *cont'd*

Audit Committee *cont'd*

The Audit Committee performs the following main functions:-

- (i) To review 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.
- (ii) To consider and recommend for approval of the Board the appointment or re-appointment of the external auditors, the audit fees and any questions of their resignation or dismissal.
- (iii) To review effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditors.
- (iv) To review the adequacy of the internal audit plans, scope of examination of the internal auditors and ensure that appropriate action is taken by Management in respect of the audit observations and the Committee's recommendations.
- (v) To review the half-yearly and annual financial statements before submission to the Board. The review focuses primarily on compliance with financial reporting standards as well as other regulatory requirements and the adequacy of information disclosure for a fair and full presentation of the financial affairs of the Company.
- (vi) To review any related party transaction and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or conduct that raises questions of management integrity.
- (vii) To direct any special investigations on the Group's operations to be carried out by the Group Internal Audit Division or any other appropriate agencies.
- (viii) To discuss problems and reservations arising out of external or internal audits and any matters which the auditors wish to bring up in the absence of Management where necessary.
- (ix) To review all non-audit services provided by the external auditors to ensure that the nature and extent of such services would not affect the independence of the external auditors.
- (x) To perform other related duties as may be agreed by the Committee and the Board.

At each of the Audit Committee Meetings, the Group Internal Audit Manager and the representatives of the external auditors are required to attend to review with the Audit Committee members the financial statements focusing on compliance with financial reporting standards, significant audit issues and internal controls.

Below is a summary of principal activities carried out by the Audit Committee during the year:

- approved the Internal Audit Plan;
- reviewed the effectiveness of the internal audit process, effectiveness and efficiency of its function;
- reviewed the external auditors' scope of work and audit plan prior to the commencement of the audit;
- reviewed with the external auditors the results of the audit of the Financial Statements and their report as well as the Management's responses;
- reviewed the independence, objectivity and effectiveness of the external auditors and the services provided, including non-audit services;
- reviewed the adequacy and effectiveness of the risk management and internal control system, including financial, operational, compliance and information technology controls;
- reviewed the related party transactions entered into by the Group to ensure compliance with the Listing Requirement of Singapore Exchange Securities Trading Limited ("SGX");
- met with the external auditors and internal auditors once during the year without the presence of Management; and
- proposed the re-appointment of the external auditors.

Report on Corporate Governance

cont'd

III. ACCOUNTABILITY AND AUDIT cont'd

Audit Committee cont'd

The Board has received assurance from the Chairman that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and effectiveness of the Company's risk management and internal control systems.

The Company has adopted a whistle-blower policy which outlines how and to whom a concern may be properly raised about the actual or potential corporate fraud or breach of ethics involving employee, Management or Director in the Group. It allows the whistle-blower the opportunity to raise concern outside the Management line. The identity of whistle-blower is kept confidential and protection is accorded to the whistle-blower against any form of reprisal or retribution. All concerns reported by the whistle-blower are made to the Chairman of the Audit Committee, the Prescribed Officer and shall be set forth in writing, orally or via electronic mail.

External Auditor

At the 2014 Annual General Meeting, the Shareholders approved the re-appointment of Deloitte & Touche LLP as the auditors of the Company. For the year ended 31 January 2015, remuneration paid and payable to Deloitte & Touche LLP in relation to audit and non-audit services are detailed as below:-

	2015 \$'000
Fee for audit services	102
Fee for non-audit services	NIL

There was no non-audit services provided by the external auditors during the year under review and the Audit Committee are satisfied with the independence of the external auditors.

Pursuant to Rule 716 of the Singapore Exchange Securities Trading Limited – Listing Rule ("the Listing Rule"), the Audit Committee and Board of Directors of the Company are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Company and the Group.

The Company has complied with Rule 712 and Rule 715 of the Listing Manual of the SGX in the appointment of its auditors.

Risk Management and Internal Controls

The Board is responsible for ensuring that there is a system of internal financial controls, operational and compliance controls, and risk management policies and reviewing its adequacy and effectiveness. The management of each business unit is responsible for internal control and for ensuring compliance therewith. The Audit Committee assists the Board in discharging its internal control review responsibilities.

Key risk register and the countermeasures in place or required to mitigate these risks were summarised for review by the AC twice a year. The Group has been implementing counter-measures to mitigate the key risks identified. The Board takes continuous effort to embed internal control into the operations of the businesses and to deal with area for improvement which come to the attention of the management and the Board.

Procedures are in place to ensure that all transactions entered into with interested person are dealt with on an arm's length basis. All such transactions, if any, are subject to review by the Audit Committee half yearly to ensure that the procedures adopted are complied with.

Report on Corporate Governance

cont'd

III. ACCOUNTABILITY AND AUDIT *cont'd*

Risk Management and Internal Controls *cont'd*

A system of internal controls has been implemented for all companies within the Group. The controls are designed to provide reasonable assurance that assets are safeguarded, operational controls are in place, business risks are suitably protected, proper accounting records are maintained and financial information used within the business and for publication is accurate and reliable.

While no system can provide absolute assurance against loss or misstatement, Management, in designing the controls, had taken into account the business risk, its likelihood of occurrence and the cost of protection. The Board with the concurrence of the Audit Committee, are of the opinion that the Company's internal controls were adequate in addressing financial, operational and compliance risks based on the internal controls established and maintained by the Company, audit performed by the internal auditors, review performed by the Management, Audit Committee and the Board, as well as the assurance from the Chairman.

Internal Audit

The Company does not have an internal audit department on its own. To assist the Audit Committee in providing assurance that a sound system of internal control exists, internal management and operational audits are conducted by the internal audit team of its ultimate holding company, Johan Holdings Berhad, to appraise and review such controls and procedures for all operating subsidiaries in the Group at least once every year. At the beginning of each financial year, the audit programme is agreed with the Audit Committee and findings are presented to the Committee in a timely basis for their consideration. The internal audit team is independent and has no involvement in the operations of Group companies. The adequacy and effectiveness of the internal audit function is subject to review by the Audit Committee.

IV. SHAREHOLDER RIGHTS AND RESPONSIBILITY

Shareholder Rights

The Company treats all shareholders fairly and equitably, and recognises, protects and facilitates the exercise of shareholders' rights. Moreover, the Company continually reviews and updates such governance arrangements.

The Board acknowledges their obligation to inform the shareholders of all material business and developments concerning the Group. In addition to various announcements made during the year, the Board will ensure timely release of financial results to provide shareholders with an overview of the Group's performance and operations. Copies of the full announcement are supplied to shareholders and members of the public upon request.

The AGM is the principal forum for communicating with shareholders. Shareholders who are unable to attend are allowed to appoint not more than two (2) proxies, who need not be shareholders, to attend and vote on their behalf. Directors including the Chairman of the Audit Committee and the external auditors of the Company are present to answer questions raised by shareholders. Shareholders are given the opportunity to communicate their views and direct questions during the questions and answers session prior to each resolution being proposed for consideration by shareholders. Resolutions proposed at the AGM are resolved by voting on show of hands and voting by poll is subject to demand by poll.

Report on Corporate Governance

cont'd

IV. SHAREHOLDER RIGHTS AND RESPONSIBILITY *cont'd*

Communication with Shareholders

The Company announces its half-year and full-year results within the mandatory period. The financial statements presented at the Company's general meetings, are disseminated and publicly released via SGXNET on a timely basis. All shareholders of the Company receive the annual report of the Company and the notice of AGM, which notice is also advertised in the press and released via SGXNET.

The Company currently does not construct a corporate website, however, our operating subsidiary via Nature's Farm Pte Ltd maintained its own website.

The Company aims to provide a return to shareholders at least once a year through the payment of dividends, after taking into account the Group's financial performance, short and long term capital requirements, future investment plans, general global and business economic conditions and any regulatory factors. The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management.

Conduct of Shareholder Meetings

The Company encourages shareholder participation at general meetings and ensures that the venue for general meetings is in a central location easily accessed by public transportation.

Shareholders have the opportunity to participate effectively and to vote in the AGM either in person or by proxy.

Resolutions on each distinct issue are tabled separately at general meetings.

In general meetings, shareholders are given the opportunity to communicate their views and direct questions to Directors and Senior Management regarding the Company. All Directors, in particular the Chairman of the Board and the Chairpersons of Board Committees, and the external auditors are present to assist the Board in addressing shareholders' questions.

With effect from 1 August 2015, all resolutions at general meetings will be voted by poll and an announcement of the breakdown of all valid votes cast at the general meeting, the details of parties who are required to abstain from voting on any resolution(s) and the name of the firm and/or person appointed as scrutineer will be made on the same day.

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders, and responses from the Board and Management. These minutes are available to shareholders upon their request.

V. DEALINGS IN SECURITIES

The Company has issued to all its senior management staff in the Group a policy on share dealing that prescribes the internal regulation with regard to dealings in the Company's securities. The policy prohibits dealings by directors and employees while in possession of price sensitive information. The Directors and its officers are also prohibited from dealing in the Company's securities during the period commencing one month before the announcement of the Company's half year and full year financial statements.

The Directors and Officers are discouraged from dealing in the Company's securities on short-term consideration. They are also advised to be mindful of the laws on insider trading and that dealings in securities do not contravene the laws on insider trading under the Securities and Futures Act and the Companies Act.

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

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

2. Financial 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 70 to 77 of the Annual Report (under Note 30 to the Financial Statement).

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

4. Investment Risk Management

All major investment 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

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Report of the Directors

The Directors are pleased to present their report to the members together with the audited consolidated financial statements of Jacks International Limited (the "Company") and its subsidiaries (collectively, the "Group") and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 January 2015.

1 DIRECTORS

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

Tan Sri Dato' Tan Kay Hock (Chairman)
 Puan Sri Datin Tan Swee Bee
 James Koh Chuan Lim
 Jaginder Singh Pasricha
 Ong Seng Pheow (Appointed on 27 October 2014)

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:

Name of director	Direct interest		Deemed interest	
	At 1.2.2014	At 31.1.2015	At 1.2.2014	At 31.1.2015
Ultimate holding company Johan Holdings Berhad				
Ordinary shares of RM0.50 each				
Tan Sri Dato' Tan Kay Hock	59,391,100	59,391,100	213,717,484	213,717,484
Puan Sri Datin Tan Swee Bee	85,119,367	85,119,367	187,989,217	187,989,217
James Koh Chuan Lim	30,000	30,000	-	-

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 February 2015.

By virtue of Section 7 of the Singapore Companies Act, Cap. 50, Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee are deemed to have an interest in the shares held by the Company's ultimate holding company, Johan Holdings Berhad in its subsidiaries, including the Company.

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.

Report of the Directors

cont'd

4 DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than remunerations received from related corporations) by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

5 SHARE OPTIONS

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

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

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

6 AUDIT COMMITTEE

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

7 AUDITORS

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

On behalf of the Directors

Tan Sri Dato' Tan Kay Hock
Director

James Koh Chuan Lim
Director

Date: 27 April 2015

Statement of Directors

We, Tan Sri Dato' Tan Kay Hock and James Koh Chuan Lim, being two of the Directors of Jacks International Limited (the "Company"), do hereby state that, in the opinion of the Directors,

- (i) 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 26 to 77 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 January 2015, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors

Tan Sri Dato' Tan Kay Hock

Director

James Koh Chuan Lim

Director

Date: 27 April 2015

Independent Auditors' Report

to the Member of Jack International Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Jacks International Limited (the "Company") and its subsidiaries (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 2015, and the consolidated statement 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 26 to 77.

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 profit and loss accounts and balance sheets 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 state of affairs of the Group and of the Company as at 31 January 2015 and of the results, 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 subsidiaries 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 2015

Statements of Financial Position

31 January 2015

	Note	Group		Company	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	2,096	1,947	-	-
Investment in subsidiaries	5	-	-	18,323	18,275
Other receivables	6	676	893	-	-
Investment securities	7	532	531	532	531
Deferred tax assets	8	98	112	-	-
Total non-current assets		3,402	3,483	18,855	18,806
Current assets					
Cash and cash equivalents	9	4,729	5,182	4,377	4,536
Trade and other receivables	6	2,178	2,350	15	41
Inventories	10	6,140	6,031	-	-
Investment securities	7	-	678	-	678
Total current assets		13,047	14,241	4,392	5,255
Total assets		16,449	17,724	23,247	24,061
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	11	669	913	8,503	9,783
Interest-bearing loans and borrowings	12	1,908	1,726	-	-
Provisions	13	168	165	-	-
Income tax payable		125	84	-	-
Total current liabilities		2,870	2,888	8,503	9,783
Non-current liabilities					
Interest-bearing loans and borrowings	12	381	399	-	-
Deferred tax liabilities	8	62	46	-	-
Total non-current liabilities		443	445	-	-
Capital and reserves					
Share capital	14	14,250	14,250	14,250	14,250
Reserves	15	(3,279)	(3,236)	(12)	(13)
Retained earnings		2,165	3,377	506	41
Total equity		13,136	14,391	14,744	14,278
Total liabilities and equity		16,449	17,724	23,247	24,061

See accompanying notes to financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 January 2015

	Note	2015 \$'000	2014 \$'000
Continuing operations			
Revenue	16	15,787	16,067
Cost of sales		(6,441)	(6,472)
Gross profit		9,346	9,595
Interest income	17	70	119
Other income	18	433	236
Marketing and distribution expenses		(7,154)	(7,279)
Administrative expenses		(2,045)	(3,264)
Other expenses		-	(73)
Finance costs	19	(143)	(139)
Profit (Loss) before tax	20	507	(805)
Income tax	21	(69)	88
Profit (Loss) for the year from continuing operations		438	(717)
Discontinued operation			
Loss for the year from discontinued operation	22	-	(389)
Profit (Loss) for the year		438	(1,106)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 January 2015

cont'd

	Note	2015 \$'000	2014 \$'000
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of leasehold property		-	686
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign operations		(44)	(315)
Fair value change of available-for-sale investments		1	(13)
		(43)	(328)
Other comprehensive income for the year, net of tax		(43)	358
Total comprehensive profit (loss) for the year		395	(748)
Profit (Loss) attributable to owners of the Company		438	(1,106)
Total comprehensive profit (loss) attributable to owners of the Company		395	(748)
Earnings (Loss) per share (cents per share)			
From continuing and discontinued operations:			
Basic and diluted	23	0.29	(0.74)
From continuing operations:			
Basic and diluted	23	0.29	(0.48)

See accompanying notes to financial statements.

Statements of Changes in Equity

For the Financial Year Ended 31 January 2015

Attributable to owners of the Company						
Note	Share capital (Note 14) \$'000	Foreign currency translation reserve \$'000	Revaluation reserves \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total \$'000
Group						
2015						
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 income for the year	-	(44)	-	1	-	(43)
Total	-	(44)	-	1	438	395
Transactions with owners, recognised directly in equity						
Dividends	31	-	-	-	(1,650)	(1,650)
Balance as at 31 January 2015	14,250	(3,953)	686	(12)	2,165	13,136
2014						
Balance as at 1 February 2013	14,250	(3,594)	-	-	4,933	15,589
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(1,106)	(1,106)
Other comprehensive income for the year	-	(315)	686	(13)	-	358
Total	-	(315)	686	(13)	(1,106)	(748)
Transactions with owners, recognised directly in equity						
Dividends	31	-	-	-	(450)	(450)
Balance as at 31 January 2014	14,250	(3,909)	686	(13)	3,377	14,391

Statements of Changes in Equity

For the Financial Year Ended 31 January 2015

cont'd

	Note	Share capital (Note 14) \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total \$'000
Company					
2015					
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	31	-	-	(1,650)	(1,650)
Balance as at 31 January 2015		14,250	(12)	506	14,744
2014					
Balance as at 1 February 2013		14,250	-	(1,853)	12,397
Total comprehensive income for the year					
Profit for the year		-	-	2,344	2,344
Other comprehensive income for the year		-	(13)	-	(13)
Total		-	(13)	2,344	2,331
Transactions with owners, recognised directly in equity					
Dividends	31	-	-	(450)	(450)
Balance as at 31 January 2014		14,250	(13)	41	14,278

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 January 2015

	Note	2015 \$'000	2014 \$'000
Operating activities			
Profit (Loss) before tax from continuing operations		507	(805)
Loss before tax from discontinued operation		-	(389)
		507	(1,194)
Adjustments for:			
Depreciation expense	4	153	169
(Reversal of) Allowance for inventory obsolescence	10	(9)	9
Inventories written off		19	30
Loss on disposal of property, plant and equipment		-	22
Provisions	13	3	(21)
Interest expense		143	139
Interest income	17	(70)	(119)
Allowance for doubtful debts		100	-
Dividend income from investment securities		(44)	(51)
Net fair value (gain) loss on investment securities	18	(89)	73
Loss on disposal of discontinued operation	22	-	389
Gain on sale of investment securities	18	(9)	(89)
Foreign exchange differences		(44)	(317)
Operating cash flows before movements in working capital		660	(960)
Trade and other receivables		(511)	(1,416)
Inventories		(119)	(69)
Trade and other payables		(244)	990
Cash used in operations		(214)	(1,455)
Interest received		70	119
Interest paid		(143)	(139)
Income taxes refund		2	17
Net cash used in operating activities		(285)	(1,458)
Investing activities			
Purchase of property, plant and equipment	4	(302)	(240)
Purchase of investment securities		(899)	(992)
Proceeds from sale of investment securities		1,675	1,038
Proceeds from disposal of subsidiary in prior year	6	800	-
Dividend received from investment securities	18	44	51
Cash outflow arising from disposal of subsidiary		-	(151)
Net cash from (used in) investing activities		1,318	(294)

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 January 2015

cont'd

	Note	2015 \$'000	2014 \$'000
Financing activities			
Dividends paid on ordinary shares	31	(1,650)	(450)
Proceeds from interest-bearing loans and borrowings		979	1,069
Repayment of interest-bearing loans and borrowings		(1,193)	(982)
Repayment of finance lease obligations		-	(5)
Decrease in fixed deposits pledged with a financial institution		-	378
Net cash (used in) from financing activities		(1,864)	10
Net decrease in cash and cash equivalents		(831)	(1,742)
Effect of exchange rate change on cash and cash equivalents		-	3
Cash and cash equivalents at beginning of the year		4,542	6,281
Cash and cash equivalents at end of the year	9	3,711	4,542

See accompanying notes to financial statements.

Notes to the Financial Statements

31 January 2015

1 GENERAL

The Company (Registration Number 197903888Z) is incorporated in Singapore with its registered office and principal place of business at 7500-E Beach Road, #03-201 The Plaza, Singapore 199595. 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 5 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 2015 were authorised for issue by the Board of Directors on 27 April 2015.

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.

Notes to the Financial Statements

31 January 2015

cont'd

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

ADOPTION OF NEW AND REVISED STANDARDS - On 1 February 2014, 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 except for the following:

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In September 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued comprising FRS 110 *Consolidated Financial Statements*, FRS 111 *Joint Arrangements*, FRS 112 *Disclosure of Interests in Other Entities*, FRS 27 (as revised in 2011) *Separate Financial Statements* and FRS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*. Subsequent to the issue of these standards, amendments to FRS 110, FRS 111 and FRS 112 were issued to clarify certain transitional guidance on the first-time application of these Standards.

In the current year, the Group has applied for the first time FRS 110, FRS 111, FRS 112, FRS 27 (as revised in 2011) and FRS 28 (as revised in 2011) together with the amendments to FRS 110, FRS 111 and FRS 112 regarding the transitional guidance.

The adoption of these new and revised FRSs has no material effect on the amounts reported for the current or prior periods.

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

- Improvements to Financial Reporting Standards (January 2014)
- Improvements to Financial Reporting Standards (February 2014)
- FRS 115 Revenue from Contracts with Customers
- FRS 109 Financial Instruments

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, INT FRS 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 2017. The Group is currently evaluating the impact of the changes in the period of initial adoption.

Notes to the Financial Statements

31 January 2015

cont'd

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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.

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.

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.

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.

Notes to the Financial Statements

31 January 2015

cont'd

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

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.

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.

Notes to the Financial Statements

31 January 2015

cont'd

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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.

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.

The policy described above is applied to all business combinations that take place on or after January 1, 2010.

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".

Notes to the Financial Statements

31 January 2015

cont'd

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

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.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling in the near future; or
- On initial recognition, it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in 'other gains and losses' line in the statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in Note 29.

Notes to the Financial Statements

31 January 2015

cont'd

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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 29. 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.

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.

Notes to the Financial Statements

31 January 2015

cont'd

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

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.

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).

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL, subsequently at the higher of the amount of obligation under the contract recognised as a provision in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with FRS 18 *Revenue*.

Notes to the Financial Statements

31 January 2015

cont'd

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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

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.

Notes to the Financial Statements

31 January 2015

cont'd

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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 building	-	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.

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.

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.

Notes to the Financial Statements

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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.

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.

Notes to the Financial Statements

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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.

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.

Notes to the Financial Statements

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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.

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.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the Group's accounting policies

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. 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).

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.

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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 2015 is disclosed in Note 4 to the 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 10 to 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 2015 is disclosed in Note 5 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 6 to financial statements.

(v) Valuation of leasehold property

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

Notes to the Financial Statements

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4 PROPERTY, PLANT AND EQUIPMENT

	Leasehold property \$'000	Plant and machinery, furniture and vehicles \$'000	Total \$'000
Cost or valuation:			
At 1 February 2013	703	4,842	5,545
Additions	-	240	240
Disposal of a subsidiary	-	(1,875)	(1,875)
Revaluation increase	686	-	686
Written off	-	(336)	(336)
At 31 January 2014	1,389	2,871	4,260
Additions	-	302	302
Written off	-	(206)	(206)
At 31 January 2015	1,389	2,967	4,356
Comprising:			
At 31 January 2014			
At cost	-	2,871	2,871
At valuation	1,389	-	1,389
	1,389	2,871	4,260
At 31 January 2015			
At cost	-	2,967	2,967
At valuation	1,389	-	1,389
	1,389	2,967	4,356
Accumulated depreciation:			
At 1 February 2013	125	3,785	3,910
Depreciation charge for the year	14	155	169
Disposal of a subsidiary	-	(1,452)	(1,452)
Written off	-	(314)	(314)
At 31 January 2014	139	2,174	2,313
Depreciation charge for the year	31	122	153
Written off	-	(206)	(206)
At 31 January 2015	170	2,090	2,260
Carrying amount:			
At 31 January 2014	1,250	697	1,947
At 31 January 2015	1,219	877	2,096

Notes to the Financial Statements

31 January 2015

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4 PROPERTY, PLANT AND EQUIPMENT *cont'd*

Leasehold building with net carrying amount of \$1,219,000 (2014 : \$1,250,000) is pledged as security for the Group's bank borrowings (Note 12).

Fair value measurement of the Group's leasehold property

As at 31 January 2015, 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 2015 was performed by GSK Global Pte Ltd, an independent valuer not connected with the Group, who have 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 2015 are as follows:

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair value as at 31 January 2014 \$'000
Leasehold property	-	-	1,250	1,250

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
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.
2014		
Leasehold property	Price per square feet of gross floor area of 4,252 square feet (approximately \$300)	The higher the price per square foot of gross floor area, the estimated fair value increases.

Notes to the Financial Statements

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5 INVESTMENT IN SUBSIDIARIES

	Company	
	2015	2014
	\$'000	\$'000
Unquoted shares, at cost	33,802	33,802
Impairment losses	(15,479)	(15,527)
	18,323	18,275
Movement in impairment loss on investment in subsidiaries:		
At beginning of financial year	15,527	14,992
Charge for the year	255	885
Reversal	(303)	(350)
At end of financial year	15,479	15,527

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 average growth rate used to extrapolate cash flow projections beyond the five year period are 17.7% and 3% to 145% (2014 : 12% and 3% to 270%) 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 19% (2014 : 13%), the Company would have to record an impairment loss of approximately \$684,000 (2014 : \$818,000) on its investment in subsidiaries.

An impairment loss of \$255,000 (2014 : \$885,000) was recognised for the year ended 31 January 2015 to write down a subsidiary to its estimated recoverable amount.

A reversal of impairment loss recognised of \$303,000 (2014 : \$350,000) 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.

Notes to the Financial Statements

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5 INVESTMENT IN SUBSIDIARIES cont'd

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held	
			2015 %	2014 %
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
(i) (iv) Jacks Overseas Limited	Bahamas	Investment holding and management	100	100
(iii) 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.

Notes to the Financial Statements

31 January 2015

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6 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current:				
Trade receivables:				
- Third parties	77	187	-	-
- Related company (Note 26)	659	565	-	-
	736	752	-	-
Other receivables:				
- Deferred lease payment	392	101	-	-
- Advances to suppliers	220	45	-	-
- Consideration from disposal of Subsidiary	-	800	-	-
- Prepaid operating expenses	477	401	15	14
- Sundry receivables	453	251	-	27
Less: Allowance for impairment	(100)	-	-	-
Total	2,178	2,350	15	41
Non-current:				
Deferred lease payment	676	893	-	-

The average credit period on sales of goods is 30 to 60 days (2014 : 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.

Notes to the Financial Statements

31 January 2015

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6 TRADE AND OTHER RECEIVABLES *cont'd*

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

	Group	
	2015	2014
	\$'000	\$'000
Not past due and not impaired	663	231
Past due but not impaired (i)	73	521
	736	752

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

Less than 30 days	40	16
30 to 60 days	2	39
61 to 90 days	2	26
More than 90 days	29	440
	73	521

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

Not past due and not impaired	45	251
Impaired receivables - individually assessed (ii)	408	-
Less: Allowance for impairment	(100)	-
	308	-
Total sundry receivables, net	353	251

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

During the year, a subsidiary of the Group, has entered into a legal claim for amounts owing from a third party amounting to \$491,000 which includes cost of inventories and overheads. The Group is confident that the outcome of the legal proceedings will be in favour of the Group to recover the net receivable amount.

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 5 years (2014 : 1 to 5 years). Interest income is recognised over the lease terms on carrying amount of the deposit.

Notes to the Financial Statements

31 January 2015

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7 INVESTMENT SECURITIES

	Group and Company	
	2015	2014
	\$'000	\$'000
Current:		
Held for trading	-	678
Non-current:		
Available-for-sale	532	531
Total	532	1,209

The above investments represent quoted equity shares that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate except for those non-current investment securities which carry a fixed coupon rate of 5.1%. During the financial year, the Group recognised net fair value gain on investment securities of \$89,000 (2014 : net fair value loss of \$73,000) and \$1,000 (2014 : \$13,000) to profit or loss and other comprehensive income respectively (Notes 18 and 15).

8 DEFERRED TAXATION

Deferred tax as at 31 January relates to the following:

	Provisions	Difference between tax and accounting depreciation	Others	Total
	\$'000	\$'000	\$'000	\$'000
Group				
At 1 February 2013	211	(3)	79	287
(Charge) Credit to profit or loss for the year (Note 21)	(18)	11	-	(7)
(Under) Over provision of prior year deferred tax	-	(54)	33	(21)
Disposal of subsidiary (Note 24)	(193)	-	-	(193)
At 31 January 2014	-	(46)	112	66
Charge to profit or loss for the year (Note 21)	-	(16)	(14)	(30)
At 31 January 2015	-	(62)	98	36

Notes to the Financial Statements

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8 DEFERRED TAXATION cont'd

	Group	
	2015	2014
	\$'000	\$'000
Deferred tax assets	98	112
Deferred tax liabilities	(62)	(46)
	36	66

As at the end of the financial year, the Group's subsidiaries have tax losses of approximately \$2,591,000 (2014 : \$2,107,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses 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.

9 CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Cash at banks and in hand	2,723	3,658	2,371	3,012
Fixed deposits	2,006	1,524	2,006	1,524
	4,729	5,182	4,377	4,536

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at 31 January:

	Group	
	2015	2014
	\$'000	\$'000
Cash, bank balances and fixed deposits	4,729	5,182
Less: Bank overdrafts, secured (Note 12)	(1,018)	(640)
Cash and cash equivalents	3,711	4,542

Cash and bank balances of the Group and Company with financial institutions have an interest rate ranging from 0.1% to 1.5% (2014 : 0.05% to 2%) per annum and is re-priced annually. The fixed deposits have an interest rate of 2.33% (2014 : 2.25%). Fixed deposits are made for 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.

Notes to the Financial Statements

31 January 2015

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10 INVENTORIES

	Group	
	2015	2014
	\$'000	\$'000
Health foods and supplements		
- Raw materials	2,019	1,526
- Finished goods	4,018	4,374
- Goods in transit	103	131
Total	6,140	6,031
Inventories are stated after deducting allowance for stock obsolescence	14	23
<i>Analysis of allowance for inventory obsolescence:</i>		
Balance at 1 February	23	14
(Reversal of) Allowance for the year	(9)	9
Balance at 31 January	14	23
Inventories recognised as an expense in cost of sales	6,067	6,383
(Reversal of) Allowance for the year	(9)	9
Inventory written off	19	30

Allowance for inventories amounting to \$14,000 (2014 : \$23,000) has been estimated based on the age, historical and expected future usage of inventories.

11 TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Trade payables	243	458	-	-
Other payables:				
- Third parties	148	308	19	12
- Subsidiaries (Note 5)	-	-	8,416	9,662
- Accrued operating expenses	278	147	68	109
	669	913	8,503	9,783

Trade and other payables are non-interest bearing and are normally settled on 30 to 90 day (2014: 30 to 90 day) terms.

Notes to the Financial Statements

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12 INTEREST-BEARING LOANS AND BORROWINGS

	Group	
	2015	2014
	\$'000	\$'000
Current:		
Bank overdrafts, secured	1,018	640
Bills payable, secured	871	1,069
Term loan, secured	19	17
	1,908	1,726
Non-current:		
Term loan, secured	381	399
	381	399
Total interest-bearing loans and borrowings	2,289	2,125

Bank overdrafts and bills payable are secured by specific charges over the Group's leasehold property, corporate guarantees of \$4,600,000 (2014 : \$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 (2014 : \$6,500,000) together with a letter of comfort from the ultimate holding company.

Bank overdrafts and bills payable bear interest at rates ranging from 6.25% to 6.75% (2014 : 6.25% to 6.75%) per annum. Bank overdrafts are repayable on demand and bills payable average term is 120 days.

The term loan bears interest at 5.20% (2014 : 5.20%) per annum and is repayable over 300 monthly instalments commencing from August 2004 and will continue until July 2029.

The term loan is secured by a first legal mortgage over a subsidiary's leasehold property (Note 4), a corporate guarantee of \$5,900,000 (2014 : \$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 (2014 : \$4,200,000) together with a letter of comfort from the ultimate holding company (Note 26).

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13 PROVISIONS

	Provision for employee entitlement \$'000	Provision for reinstatement \$'000	Total \$'000
At 1 February 2013	527	170	697
Arising during the year	134	-	134
Utilised	(134)	(21)	(155)
Discontinued operation	(511)	-	(511)
At 31 January 2014	16	149	165
Arising during the year	132	3	135
Utilised	(132)	-	(132)
At 31 January 2015	16	152	168

14 SHARE CAPITAL

	2015 Number of ordinary shares	2014 Number of ordinary shares	2015 \$'000	2014 \$'000
Issued and paid up:				
At the beginning and end of the year	150,000,000	150,000,000	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.

15 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.

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16 REVENUE

	Group	
	2015	2014
	\$'000	\$'000
Continuing operations		
Sales of health foods and supplements	15,787	16,067
Discontinued operation		
Revenue from engineering services under contract	-	2,057
Total	15,787	18,124

17 INTEREST INCOME

	Group	
	2015	2014
	\$'000	\$'000
Continuing operations		
Short-term fixed deposits	70	78
Deferred rental deposits	-	41
	70	119

There were no interest income arising from discontinued operations.

18 OTHER INCOME

	Group	
	2015	2014
	\$'000	\$'000
Continuing operations		
Sundry income	216	96
Consignment fee	75	-
Gain on sale of investment securities	9	89
Dividend income from investment securities	44	51
Net fair value gain on investment securities	89	-
	433	236
Discontinued operation		
Sundry income	-	4
Total	433	240

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19 FINANCE COSTS

	Group	
	2015	2014
	\$'000	\$'000
Continuing operations		
Bank loan	94	90
Obligations under finance lease	-	6
Overdrafts	49	43
	143	139
Discontinued operation		
Obligations under finance lease	-	3
Total	143	142

20. PROFIT (LOSS) BEFORE TAX

The following items have been included in arriving at profit (loss) before tax:

	Group	
	2015	2014
	\$'000	\$'000
Continuing operations		
Audit fees paid to:		
- Auditors of the Company	102	97
- Other auditors	-	3
Non-audit fees paid to auditors of the Company	-	-
Employee benefits expense		
- Salaries and bonuses	2,819	3,033
- Central Provident Fund contributions	465	417
- Pension costs	13	34
Operating leases expense	3,833	3,702
Foreign exchange loss, net	46	311
Discontinued operation		
Non-audit fees paid to auditors of the Company	-	-
Employee benefits expense		
- Salaries and bonuses	-	759
- Pension costs	-	14
Operating leases expense	-	65

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21 INCOME TAX

	Group	
	2015	2014
	\$'000	\$'000
Current income tax		
- Current tax expense	40	23
- Overprovision in respect of previous years	(1)	(139)
Deferred income tax		
- Origination and reversal of temporary differences (Note 8)	30	7
- Underprovision in respect of previous years (Note 8)	-	21
	69	(88)

There were no income tax expense arising from discontinued operation for 2014.

Domestic income tax is calculated at 17% (2014 : 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 profit (loss) multiplied by the applicable corporate tax rate for the years ended 31 January 2015 and 2014 are as follows:

	Group	
	2015	2014
	\$'000	\$'000
Profit (Loss) before tax from continuing operations	507	(805)
Profit (Loss) before tax from discontinued operation	-	(389)
	507	(1,194)
Income tax expense (benefit) calculated at 17% (2014 : 17%)	86	(203)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(23)	(81)
Adjustments:		
Non-deductible expenses	70	295
Income not subject to taxation	(152)	(193)
Effect of partial tax exemption	-	89
Deferred tax assets not recognised	82	87
Overprovision in respect of previous years	(1)	(118)
Others	7	36
Income tax expense (credit) recognised in profit or loss	69	(88)

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

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22 DISCONTINUED OPERATION

On 31 May 2013, the Group entered into a sale and purchase agreement with MSR Steeled Enterprises Pty Ltd to sell the Group's interest in Skinner Engineering Pty Ltd ("Skinner") which was primarily involved in fabrication and installation of piping systems and tanks; and installation of machinery and other capital equipment. The disposal was effectively completed on 31 May 2013, on which date the control of Skinner was passed to the acquirer.

The loss for the year from the discontinued operation is analysed as follows:

	2014
	\$'000
Loss from engineering services	(34)
Loss on disposal of engineering services	(355)
	(389)

The results of the discontinued operation for the period from 1 February 2013 to 31 May 2013 were as follows:

	2014
	\$'000
Revenue	2,057
Cost of sales	(1,465)
Gross profit	592
Other income	4
Marketing and distribution expenses	(507)
Administration expenses	(120)
Finance costs	(3)
Loss before tax	(34)
Income tax	-
Loss after tax	(34)

The carrying amounts of the assets and liabilities of Skinner at the date of disposal are disclosed in Note 24.

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23 EARNINGS (LOSS) PER SHARE

From continuing and discontinued operations

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

	Group	
	2015	2014
	\$'000	\$'000
Profit (Loss) attributable to equity holders of the Company	438	(1,106)
Weighted average number of shares ('000)	150,000	150,000
Earnings (Loss) per share - Basic (cents)	0.29	(0.74)

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

From continuing operations

	Group	
	2015	2014
	\$'000	\$'000
Profit (loss) attributable to equity holders of the Company	438	(717)
Weighted average number of shares ('000)	150,000	150,000
Earnings (loss) per share - Basic (cents)	0.29	(0.48)

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

From discontinued operation

Basic loss per share for the discontinued operation is NIL cents per share (2014 : loss per share of 0.26 cents), based on the loss for the year from the discontinued operation of \$NIL (2014 : loss for the year of \$389,000) and the denominators detailed above for basic loss per share.

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24 DISPOSAL OF SUBSIDIARY

As disclosed in Note 22 to the financial statements, on 31 May 2013, the Group disposed of its subsidiary, Skinner Engineering Pty. Ltd.

Details of the disposal are as follows:

Carrying amount of net assets of the subsidiary at time of disposal

	2014
	\$'000
Non-current assets	
Property, plant and equipment	423
Deferred tax assets	193
Total non-current assets	616
Current assets	
Cash and cash equivalents	444
Trade and other receivables	1,531
Inventories	137
Total current assets	2,112
Current liabilities	
Trade and other payables	481
Interest bearing borrowings	60
Provisions	511
Total current liabilities	1,052
Non-current liabilities	
Other payables	740
Interest bearing borrowings	250
Total current liabilities	990
Net assets de-recognised	686

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24 DISPOSAL OF SUBSIDIARY cont'd

	Group 2014 \$'000
Consideration received:	
Cash, representing consideration received	293
Deferred consideration	38
	331
Loss on disposal:	
Consideration received	331
Net assets derecognised	(686)
Loss on disposal	(355)

The loss on disposal of the subsidiary was recorded as part of loss for the year from discontinued operation in profit or loss.

	Group 2014 \$'000
Net cash outflow arising on disposal:	
Cash consideration received during the year	293
Cash and cash equivalents disposed of	(444)
	(151)

25 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 five years with no renewal option or contingent rent provision included in the contracts. 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 \$3,833,000 (2014 : \$3,767,000).

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25 COMMITMENTS cont'd

(a) Operating lease commitments – as lessee cont'd

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

	Group	
	2015	2014
	\$'000	\$'000
Not later than one year	3,609	3,400
Later than one year but not later than five years	3,191	3,546
	6,800	6,946

(b) Corporate guarantee

The Company has provided a corporate guarantee of \$10,500,000 (2014 : \$10,500,000) to a bank for loans (Note 12) 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 considers that it is more likely than not that no amount will be payable under the arrangement.

26 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company's immediate holding company is Abacus Pacific N.V., which is incorporated in The Netherlands. The ultimate holding company is 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.

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	
	2015	2014
	\$'000	\$'000
Sale of goods to a related company *	184	69
Management fees paid to ultimate holding company	40	341

* A subsidiary of Johan Holdings Berhad.

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27 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	
	2015	2014
	\$'000	\$'000
Compensation of key management personnel		
Directors' fees		
- Directors of the Company	29	35
Short-term employee benefits	319	333
Defined contribution plans	9	11
	357	379
Comprise amounts paid to:		
- Directors of the Company	29	35
- Other key management personnel	328	344
	357	379

28 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has two (2014: three) reportable operating segments as follows:

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

The Engineering segment provides the following services:

- (i) bending and fabrication of copper, steel and stainless steel piping;
- (ii) installation of ducts, tubing machinery and other capital equipment; and
- (iii) machinery and grinding of tools, dies, castings and other equipment.

In 2014, the Group disposed of its Engineering segment.

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

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28 SEGMENT INFORMATION cont'd

Continuing operations

	Health Food Trade		Corporate		Adjustments and eliminations		Total for continuing operations	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue:								
External customers	15,787	16,067	-	-	-	-	15,787	16,067
Inter-segment	5,292	5,549	-	-	(5,292)	(5,549)	-	-
Total revenue	21,079	21,616	-	-	(5,292)	(5,549)	15,787	16,067
Results:								
Interest income	-	-	70	119	-	-	70	119
Dividend income	-	3,481	2,157	3,353	(2,113)	(6,783)	44	51
Depreciation expense	153	169	-	-	-	-	153	169
Other non-cash expenses	9	39	-	-	-	-	9	39
Profit (Loss) before tax	410	3,409	2,176	2,019	(2,079)	(6,233)	507	(805)
Assets:								
Additions to non-current assets	302	240	-	-	-	-	302	240
Segment assets	22,020	11,675	31,491	6,751	(37,062)	(702)	16,449	17,724
Segment liabilities	10,432	3,193	9,030	140	(16,149)	-	3,313	3,333

Discontinued operation

	Engineering, representing discontinued operation	
	2015	2014
	\$'000	\$'000
Revenue:		
External customers	-	2,057
Total revenue	-	2,057
Results:		
Loss before tax	-	(389)

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28 SEGMENT INFORMATION *cont'd*

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	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Singapore	15,162	15,762	3,241	3,271
Malaysia	184	69	-	-
China	441	236	161	212
	15,787	16,067	3,402	3,483

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.

29 FINANCIAL INSTRUMENTS

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

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Loans and receivables (including cash and bank balances)	6,494	7,878	4,377	4,563
Held for trading financial assets	-	678	-	678
Available-for-sale financial assets	532	531	532	531
	7,026	9,087	4,909	5,772
Financial liabilities				
Amortised cost	2,958	3,038	8,503	9,783

Notes to the Financial Statements

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29 FINANCIAL INSTRUMENTS cont'd

(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) \$'000	Significant other observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
Group and Company				
2015				
Financial assets:				
Equity instruments (quoted)				
- Available for sale (Note 7)	532	-	-	532
Group and Company				
2014				
Financial assets:				
Equity instruments (quoted)				
- Held for trading (Note 7)	678	-	-	678
- Available for sale (Note 7)	531	-	-	531
	1,209	-	-	1,209

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

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 2015 and 2014.

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29 FINANCIAL INSTRUMENTS *cont'd*

(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.

30 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.

Exposure to credit risk

The maximum amount the Company could be forced to settle under the corporate guarantee in Note 25, if the full guaranteed amount is claimed by the counterparty to the guarantee is \$2,289,000 (2014 : \$2,125,000). 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 guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

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

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30 FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES cont'd

(a) Credit risk management cont'd

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			
	2015		2014	
	\$'000	% of total	\$'000	% of total
By country:				
Singapore	78	11	135	18
Australia	-	-	49	7
Malaysia	613	83	565	75
Others	45	6	3	-
	736	100	752	100
By industry sectors:				
Health Food Trade	736	100	703	93
Engineering	-	-	49	7
	736	100	752	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 6.

(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.

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.

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30 FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES cont'd

(b) Liquidity risk management cont'd

	Weighted average effective interest rate %	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	Adjustment \$'000	Total \$'000
Group						
2015						
Financial assets						
Trade and other receivables	-	1,089	676	-	-	1,765
Investment securities	-	-	532	-	-	532
Cash and bank balances	-	2,723	-	-	-	2,723
Short-term deposits	2.33	2,053	-	-	(47)	2,006
Total financial assets		5,865	1,208	-	(47)	7,026
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
2014						
Financial assets						
Trade and other receivables	-	1,803	893	-	-	2,696
Investment securities	-	678	531	-	-	1,209
Cash and bank balances	-	3,658	-	-	-	3,658
Short-term deposits	2.25	1,558	-	-	(34)	1,524
Total financial assets		7,697	1,424	-	(34)	9,087
Financial liabilities						
Trade and other payables	-	913	-	-	-	913
Interest-bearing loans and borrowings	5.2 to 6.75	1,837	156	440	(308)	2,125
Total financial liabilities		2,750	156	440	(308)	3,038

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30 FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES cont'd

(b) Liquidity risk management cont'd

	Weighted average effective interest rate %	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	Adjustment \$'000	Total \$'000
Company						
2015						
Financial assets						
Investment securities	-	-	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
2014						
Financial assets						
Trade and other receivables	-	27	-	-	-	27
Investment securities	-	678	531	-	-	1,209
Cash and bank balances	-	3,012	-	-	-	3,012
Short-term deposits	2.25	1,558	-	-	(34)	1,524
Total financial assets		5,275	531	-	(34)	5,772
Financial liabilities						
Other payables, representing total financial liabilities	-	9,783	-	-	-	9,783

The maximum amount that the Group could be forced to settle under the corporate guarantee in Note 25, if the full guaranteed amount is claimed by the counterparty to the guarantee, is \$2,289,000 (2014 : \$2,125,000).

The earliest period that the guarantee could be called is within 1 year (2014 : 1 year) from the end of the reporting period. As mentioned in Note 30(a), the Group considers that it is more likely than not that no amount will be payable under the arrangement.

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30 FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(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 (Note 12).

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 50 (2014 : 50) basis points higher/lower with all other variables held constant, the Group's profit before tax would have been \$1,400 lower/higher (2014 : loss before tax - \$3,000 higher/lower), arising mainly as a result of higher/lower (2014 : higher/lower) interest income from floating rate fixed deposits and higher/lower (2014 : higher/lower) interest expense on floating rate interest bearing loans and borrowings.

(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"), Chinese Renminbi ("RMB"), Malaysian Ringgit ("MYR"), New Zealand Dollar ("NZD"), Thai Baht ("THB"), Taiwan Dollar ("NTD") and Japanese Yen ("JPY") and therefore is exposed to foreign exchange risk.

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30 FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES cont'd

(d) Foreign exchange management cont'd

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

Group	Assets		Liabilities	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
AUD	2,535	1,436	-	-
USD	866	823	44	100
HKD	30	50	-	-
MYR	240	243	-	1
NZD	-	-	199	216
THB	70	80	-	-
NTD	70	-	-	63
JPY	-	-	-	19
Company				
AUD	2,535	1,436	-	-
USD	681	641	-	-
HKD	-	20	-	-
MYR	-	3	-	-
THB	-	10	-	-

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.

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30 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	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
AUD	127	72	127	72
USD	41	36	34	32
HKD	2	2	-	1
MYR	12	12	-	-
NZD	(10)	(11)	-	-
THB	4	4	-	1
NTD	4	(3)	-	-
JPY	-	(1)	-	-

(e) Equity price risk management

The Group is exposed to equity risks arising from equity investments classified as held-for-trading and 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 held-for-trading equity investments, if equity prices had been 2% (2014 : 2%) higher/lower with all other variables held constant, the Group's profit net of tax would have been \$NIL (2014 : \$14,000) higher/lower, arising as a result of higher/lower fair value gains on held for trading investments in equity instruments.

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 2015 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 \$11,000 (2014 : \$11,000).

Notes to the Financial Statements

31 January 2015

cont'd

30 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 2015 and 31 January 2014.

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.

	Note	Group	
		2015	2014
		\$'000	\$'000
Interest-bearing loans and borrowings	12	2,289	2,125
Trade and other payables	11	669	913
Less: Cash and bank balances	9	(4,729)	(5,182)
Net cash		(1,771)	(2,144)
Equity attributable to the owners of the Company		13,136	14,391
Capital and net cash		11,365	12,247
Gearing ratio		N.A.	N.A.

31 DIVIDENDS

	Group and Company	
	2015	2014
	\$'000	\$'000
<u>Declared and paid during the financial year:</u>		
Dividends on ordinary shares		
- Final exempt (one-tier) for 2014 at 0.80 cents per share (2013 : 0.30 cents per share)	1,200	450
- Interim exempt (one-tier) for 2015 at 0.30 cents per share (2014 : Nil cents per share)	450	-
<u>Proposed but not recognised as a liability as at 31 January:</u>		
Dividends on ordinary shares, subject to shareholders' approval		
- Final exempt (one-tier) for 2015 at 0.20 cents per share (2014 : 0.80 cents per share)	300	1,200

Analysis of Shareholdings

SHARE CAPITAL AS AT 20 APRIL 2015

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 20 APRIL 2015

Size of shareholdings	No. of holders	%	No. of shares	%
1 – 99	24	4.99	452	0.00
100 – 1,000	52	10.81	41,185	0.03
1,001 – 10,000	276	57.38	1,541,511	1.03
10,001 – 1,000,000	125	25.99	10,788,422	7.19
1,000,001 and above	4	0.83	137,628,430	91.75
Total	481	100	150,000,000	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 20 APRIL 2015

No.	Name of Shareholders	No. of Shares	%
1	ABACUS PACIFIC N.V.	130,126,430	86.75
2	NORRIS PIE LIMITED	4,500,000	3.00
3	HSBC (SINGAPORE) NOMINEES PTE LTD	1,505,000	1.00
4	MICHELE SHARMINI RASANAYAGAM	1,497,000	1.00
5	MORPH INVESTMENTS LTD	850,000	0.57
6	GOAY LEAN TEE	830,000	0.55
7	PEH CHIN CHIONG	650,000	0.43
8	HO SENG TUCK	410,000	0.27
9	GOH POH CHOO	400,000	0.27
10	LIM THIAN HOCK @ LIM THIAM HOCK	345,000	0.23
11	TAN JUI YAK	287,000	0.19
12	YIT TENG YUET	220,000	0.15
13	ODD LOT HOLDINGS SDN BHD	216,800	0.14
14	EVELYN TEH @ TEH TENG LAN	200,000	0.13
15	LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	200,000	0.13
16	KONG CHOOT SIAN	185,000	0.12
17	YAP FOOK LOI	170,000	0.11
18	LIM TIEW FANG	165,000	0.11
19	SEAH TENG TENG	155,000	0.10
20	CIMB SECURITIES (SINGAPORE) PTE LTD	150,000	0.10
TOTAL		143,062,230	95.37

Analysis of Shareholdings

cont'd

SUBSTANTIAL SHAREHOLDERS AS AT 20 APRIL 2015

Name of shareholder	Direct Interest	Deemed Interest	Total	%
Abacus Pacific N.V.	130,126,430	-	130,126,430	86.75

DIRECTORS' INTEREST AS AT 21 FEBRUARY 2015

Name of Director	Direct Interest	Deemed Interest	Total	%
Tan Sri Dato' Tan Kay Hock	-	130,126,430 ⁽¹⁾	130,126,430	86.75
Puan Sri Datin Tan Swee Bee	-	130,126,430 ⁽¹⁾	130,126,430	86.75
James Koh Chuan Lim	-	-	-	-
Jaginder Singh Pasricha	-	-	-	-
Ong Seng Pheow	-	-	-	-

Note:-

⁽¹⁾ Tan Sri Dato' Tan Kay Hock and Puan Sri Datin Tan Swee Bee who are husband and wife and who together have an interest of 43.84% in Johan Holdings Berhad, the ultimate holding company of Abacus Pacific N.V. are deemed interested in the 130,126,430 shares registered in the name of Abacus Pacific N.V.

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 20 April 2015, the Company complies with Rule 723 that 13.25% of its ordinary shares listed on the SGX were held by the public.

List of Properties Held

as at 31 January 2015

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%	\$1,219,000

Additional Information

MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOAN

There are no material contracts including contracts relating to any loan entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests.

SHARE OPTION SCHEMES OR SHARE SCHEME

The Company does not have a share option scheme or share scheme for directors and employees during the financial year ended 31 January 2015.

INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during the financial year (excluding transactions less than S\$100,000) which fall under Rule 907 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 each)			
	Transactions not conducted under shareholders' mandate pursuant to Rule 920		Transactions conducted under shareholders' mandate pursuant to Rule 920	
	2015 \$	2014 \$	2015 \$	2014 \$
Transactions with Johan Holdings Berhad and its subsidiaries				
Sales of goods	184,000	69,000	N/A	N/A
Management fee	40,000	341,000	N/A	N/A

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the Registered Office, 7500-E, Beach Road #03-201, The Plaza, Singapore 199595 on Thursday, 28th May 2015 at 11:00 a.m. to transact the following businesses:-

1. To receive and adopt the Audited Financial Statements for the year ended 31st January 2015 and the Directors' and Auditors' Reports thereon. **(Resolution 1)**
2. To approve the final exempt (one-tier) dividend of 0.2 cents per ordinary share in respect of financial year ended 31st January 2015. **(Resolution 2)**
3. To re-elect Puan Sri Datin Tan Swee Bee who retires in accordance with Article 90 of the Articles of Association and being eligible, has offered herself for re-election. **(Resolution 3)**
4. To re-elect Mr Ong Seng Pheow who retires in accordance with Article 96 of the Articles of Association and being eligible, has offered himself for re-election. **(Resolution 4)**
5. To re-appoint Messrs Deloitte & Touche LLP as Auditors of the Company and authorise the Directors to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

Notice of Book Closure Date and Payment Date for Final Dividend

NOTICE IS ALSO HEREBY GIVEN that subject to shareholders' approval being obtained for the proposed final exempt (one-tier) dividend of 0.2 cents per ordinary share for the financial year ended 31st January 2015, the Share Transfer Books and the Register of Members of the Company will be closed on 11 June 2015 for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902 up to 5:00 p.m. on 10 June 2015 will be registered to determine shareholders' entitlement to the proposed final dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5:00 p.m. on 10 June 2015 will be entitled to the proposed final dividend. The proposed final dividend, if approved, will be paid on 23 June 2015.

BY ORDER OF THE BOARD

James Koh Chuan Lim
Peter Tam Kui Pui
Company Secretaries

SINGAPORE
13 May 2015

Notice of Annual General Meeting

cont'd

Notes:-

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company. Where there is more than one proxy, the proportion of shares to be represented by each proxy must be stated.
2. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxies to vote on its behalf. If the member is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.
3. The instrument or form appointing a proxy or proxies, duly executed, must be deposited at the Company's registered office at 7500-E Beach Road, #03-201 The Plaza, Singapore 199595 not less than forty-eight (48) hours before the time appointed for holding the meeting in order for the proxy to be entitled to attend and vote at the meeting.

Personal Data Privacy:-

By submitting an instrument appointing a proxy(ies) or representative to attend, speak and vote at the 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 and administration by the Company (or its agents or service providers) of proxies or representatives appointed for the meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 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) or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) 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) 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.

Explanatory Notes on Resolutions to be passed:-

1. Ordinary Resolution 3 - Re-election of Puan Sri Datin Tan Swee Bee as Director of the Company

Ordinary Resolution 3 is to re-elect Puan Sri Datin Tan Swee Bee who is to retire as a Director by rotation in accordance with Article 90 of the Company's Articles of Association. Puan Sri Datin Tan Swee Bee, if re-elected, will remain as the Non-Independent Non-Executive Director of the Company. Her profile and key information are set out on Page 3 in the Annual Report.

2. Ordinary Resolution 4 - Re-election of Mr Ong Seng Pheow as Director of the Company

Ordinary Resolution 4 is to re-elect Mr Ong Seng Pheow who is to retire as a Director in accordance with Article 96 of the Company's Articles of Association. Mr Ong Seng Pheow, if re-elected, will remain as Chairman of the Audit Committee. His profile and key information are set out on Page 3 in the Annual Report.



Jacks International Limited

Incorporated in the Republic of Singapore
Reg. No.: 197903888Z

FORM OF PROXY

(For Annual General Meeting)

IMPORTANT:

1. For investors who have used their CPF monies to buy Jacks International Limited's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent 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 attend the meeting as OBSERVERS must submit their requests through their respective Agent Banks so that their Agent Banks may register with the Company Secretary of Jacks International Limited within the time frame specified.
(Agent Banks: Please see note 8 on required format)

Personal data privacy

By submitting an instrument appointing a proxy(ies) or representative, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 May 2015.

I/We, of
..... being the registered holder(s) of
..... ordinary shares ^[Note 6] fully paid in
the capital of JACKS INTERNATIONAL LIMITED hereby appoint:-

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

as my/our proxy/proxies to attend and vote on my/our behalf at the Annual General Meeting of the Company to be held at the Registered Office, 7500-E, Beach Road #03-201, The Plaza, Singapore 199595 on Thursday, 28th May 2015 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 meeting as indicated hereunder. If no specific direction as to voting is given the proxy/proxies will vote or abstain from voting at his/their discretion.

(Please indicate with a cross ("X") in the spaces provided below whether you wish your vote to be cast for or against the Resolutions).

RESOLUTION		For	Against
1	To receive and adopt the Audited Financial Statements for the financial year ended 31 January 2015 and Reports of the Directors and Auditors thereon		
2	Approval of final exempt (one-tier) dividend		
3	Re-election of Puan Sri Datin Tan Swee Bee as Director		
4	Re-election of Ong Seng Pheow as Director		
5	Re-appointment of Auditors		

Dated this day of, 2015.

.....
Signature/Common Seal ^[Note 3]

FOLD THIS FLAP FOR SEALING

THEN FOLD HERE

**AFFIX
STAMP**

The Company Secretaries

JACKS INTERNATIONAL LIMITED

7500-E, Beach Road
#03-201, The Plaza
SINGAPORE 199595

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Notes:-

1. A Member of the Company entitled to attend and vote at the above meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company and where there is more than one proxy, the proportion of shares to be represented by each proxy must be stated.
2. Where a Member appoints two proxies, the appointments shall be invalid unless he specifies the proportion (expressed as a percentage of the whole) of his shareholding to be represented by each proxy.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.
4. A corporation which is a Member, may authorise by resolution of its Director 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, Cap.50.
5. The instrument of appointing a proxy or proxies, duly stamped (together with the power of attorney (if any) under which it is signed or a certified copy thereof), must be deposited at the registered office of the Company at 7500-E, Beach Road #03-201, The Plaza, Singapore 199595 not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting (as the case may be).
6. Please insert the total number of shares held by you. If you have shares entered against your name on the Depository Register (as defined in Section 130A of the Companies Act, Cap.50), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by you.
7. The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of Members whose shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company may reject any instrument of proxy lodged if such Member is not shown to have shares entered against the name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the meeting as certified by CDP to the Company.
8. Agent Banks acting on the request of CPF Investors who wish to attend the meeting as Observers are required to submit in writing, a list with details of the investor's name, NRIC/Passport Number, addresses and number of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the registered office of the Company at 7500-E Beach Road, #03-201 The Plaza, Singapore 199595, not less than 48 hours before the time fixed for holding the meeting.

Directory of Nature's Farm Retail Outlets

CENTRAL REGION

Plaza Singapura

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

Centrepoint Shopping Centre

176 Orchard Road
#B1-03
Centrepoint Shopping Centre
Singapore 238843
Tel: 6732 0272

Ngee Ann City

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

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

NORTH REGION

Ang Mo Kio Hub

No. 53, Ang Mo Kio Ave 3
#B2-19, Ang Mo Kio Hub
Singapore 569933
Tel: 6555 7160

Thomson Plaza

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

Northpoint Shopping Centre

No. 930 Yishun Avenue 2
#B1-73 Northpoint
Singapore 769098
Tel: 6257 0368

Toa Payoh Central

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

Junction 8

No. 9 Bishan Place
#01-04 Junction 8 Shopping Centre
Singapore 578837
Tel: 6251 4217

Causeway Point

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

SOUTH REGION

International Plaza

No. 10 Anson Road
#01-34 International Plaza
Singapore 079903
Tel: 6224 3960

The Arcade

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

VivoCity

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

EAST/NORTH EAST REGION

Compass Point

1 Sengkang Square
#B1-31 Compass Point
Singapore 545078
Tel: 6315 8035

Tampines Mall

4 Tampines Central 5
#B1-16 Tampines Mall
Singapore 529510
Tel: 6787 2920

Parkway Parade

80 Marine Parade Road
#B1-82/83 Parkway Parade
Singapore 449269
Tel: 6345 7126

Nex Serangoon

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

Bedok Mall

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

OneKM

11, Tanjong Katong Road
#B1-30 OneKM
Singapore 437157
Tel: 6702 5845

WEST REGION

Jurong Point Shopping Centre

1 Jurong West Central 2
#B1-15/16 Jurong Point
Singapore 648886
Tel: 6793 5461

West Mall

1 Bukit Batok Central Link
#02-02 West Mall
Singapore 658713
Tel: 6795 7303

Bukit Timah Plaza

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

BRUNEI DARUSSALAM

The Mall

G27B Ground Floor
The Mall
Abdul Razak Complex
Gadong BSB BE3519
Brunei Darussalam
Tel: 673 2421 633

Manggis Mall

Unit No. 2, First Floor
Hua Ho Manggis Mall
Lot No. 58799
Kampung Manggis
Jalan Muara
Brunei Muara District
Brunei Darussalam
Tel: 673 2337 522