



**CAMSING  
HEALTHCARE**

# **STAY FOCUSED**

Annual Report 2022

# CORPORATE PROFILE

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

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Enclosed Form of Proxy

## **Nature's Farm Pte Ltd**

Since its incorporation in 1982, Nature's Farm has established itself as a trusted and recognised name in quality imported health supplements, honey and health foods. Nature's Farm today operates 12 retail stores across major shopping malls in Singapore and is also accessible to consumers 24/7 via its e-store and presence in major e-commerce platforms such as Shopee, Qoo10 and Lazada.

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

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Liu Hui**

*(Executive Director)*

**Yeo Choon Tat**

*(Independent Non-Executive Director)*

**Tan Keng Keat**

*(Independent Non-Executive Director)*

## COMPANY SECRETARY

**Lim Kok Meng**

## REGISTERED OFFICE

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

## REGISTRAR

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

## AUDITORS

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

Partner-in-charge:

**Adeline Ng Cheah Chen**

(appointed since financial year ended 31 January 2019)

## GROUP PRINCIPAL BANKERS

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

## STOCK EXCHANGE LISTING

Singapore Exchange Securities Trading Limited

# PROFILE OF BOARD OF DIRECTORS

## **Ms Liu Hui**

*(Executive Director)*

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

## **Mr Yeo Choon Tat**

*(Independent Non-Executive Director)*

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

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

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

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

## **Tan Keng Keat**

*(Independent Non-Executive Director)*

Mr Tan joined the Board on 25 July 2022 as Independent Director and is the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committee. Mr Tan is currently an Executive Director and Chief Financial Officer of Imperium Crown Limited, a company listed on the Catalist of The Singapore Exchange Securities Trading Limited. An experienced accountant with over 20 years of experience in the financial sector, Mr Tan started his professional career with PricewaterhouseCoopers Singapore and later moved on to public listed companies. He has held key positions such as Director, Chief Financial Officer and Company Secretary in companies listed on the Singapore Exchange Securities Trading Limited, the London Stock Exchange and the Australian Securities Exchange and is experienced in financial reporting, corporate finance, treasury, audit, taxation and company secretarial matters. Mr Tan graduated from the Nanyang Technological University with a degree in Accountancy (Honours) and is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

# EXECUTIVE DIRECTOR'S STATEMENT AND REVIEW

## Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements for the financial year ended 31 January 2022 ("FY2022").

Through our relentless efforts and determination over the last couple of months to regularise past breaches since the trigger of the special audit in or around April 2019 and to improve on the quality of our financial reporting, we have managed to resolve almost all major legacy issues save for one which thereby give rise to an audit qualification which, in any case, has already been highlighted in the audit reports for the past three financial years. It is regrettable that the auditors have not come to terms with the Company on the said issue although the incumbent board and management have taken a considered position of the matter (see Note 9 to the Audited Financial Statements for more details). Given the nature of the legacy issue, it is envisaged that it would only be fully addressed and resolved with the effluxion of time. As such, the auditors have maintained an "except for" opinion in respect of this sole legacy issue on the FY2022 Audited Financial Statements.

## Financial Review

Revenue for the year amounted to S\$5,530,000, a S\$160,000 or 3% difference from the S\$5,690,000 reported for FY2021. The lower result was primarily attributable to the year-end adjustment for the unredeemed customers' loyalty points as at 31 January 2022.

Meanwhile, marketing and distribution costs increased marginally by S\$31,000 or 1% from S\$3,764,000 to S\$3,795,000 in FY2022. The increase was mainly due to increase in marketing and advertisement expenses, employee benefits expenses, offset by decrease in depreciation for right-of-use assets.

Administrative and other operating expenses decreased by S\$449,000 or 33% from S\$1,370,000 in FY2021 to S\$921,000, primarily due to the Group having recognised a property, plant and equipment write-off of S\$202,000 and prepaid expenses write-off of S\$94,000 in FY2021, compared to property, plant and equipment write-off of S\$36,000 and no prepaid expenses having been written off in FY2022.

The finance costs decreased by 12% from S\$237,000 in FY2021 to S\$209,000 in FY2022, mainly due to decrease in interest on lease liabilities.

The Group recorded a higher loss before tax for S\$1,349,000 in FY2022 compared to S\$829,000 in FY2021. This was mainly attributable to the lower gross margin generated from retail business and less government grant income during FY2022.

The decrease in the carrying amount of property, plant and equipment was due mainly to the depreciation and impairment loss on property, plant and equipment in FY2022.

The increase in ROU assets was due to the renewal of lease agreement, and the decrease in lease liabilities was due mainly to repayment during the year.

The decrease in other receivables by S\$507,000 was due mainly to the refund of rental deposits as a few outlets were closed in FY2022.

Inventories decreased mainly due to lesser purchases for FY2022 and in line with lower sales demand.

Please refer to the consolidated cash flow statement for detail of changes in cash and cash equivalents.

# EXECUTIVE DIRECTOR'S STATEMENT AND REVIEW

## Risk management

As mentioned previously, the Board and Management noted the findings of the special auditor on certain lapses in internal controls and has since taken actions to rectify them. In addition, the Company has engaged the services of an external independent reviewer (“Independent Reviewer”) to look into these matters. To this end, I am pleased to update that the Independent Reviewer has completed its independent review and provided its findings in a report issued to the Company, pursuant to the Notice of Compliance from SGX RegCo dated 1 September 2020 following the completion of the special audit. Please refer to the Company’s announcement via SGXNET on 8 August 2022 for more details.

Please also refer to the accompanying Report on Corporate Governance, Audited Financial Statements and Risk Assessment and Management section for FY2021 for relevant information on the Group’s risk management policies and practices.

## Outlook

While business activities in general are gradually showing signs of improvement in recent months with the easing of pandemic containment measures, the effects and impacts of Covid-19 on the Singapore economy (especially the severely affected retail sector) remained slow in recovery.

The Group will continue its efforts to create more online presence on purchasing platforms to garner more sales and identify new markets. It will look at ways to optimize its business operations and create better shareholders’ value.

As announced via SGXNET on 27 December 2021, the Company had entered into an investment agreement and a loan agreement (“First Loan Agreement”), both

dated 25 December 2021, with an independent party (the “Investor”) wherein the Investor will be extending fresh funds to the Company subject to the satisfaction of certain conditions as set out therein. In view of some imminent business opportunities (including expanding the range of products and business coverage) and its operational needs, on 3 March 2021, the Company entered into, among others, a second loan agreement (“Second Loan Agreement”) with the Investor. Pursuant to and subject to the terms and conditions of the Second Loan Agreement, the Investor shall loan to the Company up to an aggregate principal amount of \$2.99 million for purchase of healthcare supplements and other operational or working capital purposes. Please refer to the aforementioned announcements for more details.

As global supply chains continue to be disrupted and inflation rising, the Group anticipates slower economic growth in the coming quarters which may adversely impact consumer sentiment. Nonetheless, the Group will continue its core strategies of developing products, expanding sales channels and applying prudent cost management measures.

## Acknowledgement

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

# GROUP FINANCIAL HIGHLIGHTS

## Five-Year Group Financial Statistics

Year Ended 31 January	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000
<b>Income Statement</b>					
Revenue	5,530	5,690	7,308	8,386	14,912
Profit/(Loss) before tax	(1,349)	(829)	(5,458)	(6,571)	122
Income tax (expense)/credit	20	-	-	-	(115)
Profit/(Loss) for the year	(1,329)	(829)	(5,458)	(6,571)	7
Profit/(Loss) attributable to owners of the parent	(1,328)	(828)	(5,458)	(6,570)	53
<b>Balance Sheet</b>					
Property, plant and equipment	106	230	650	1,406	2,465
Right-of-use assets	1,616	1,210	2,167	-	-
Other receivables - non-current	244	256	673	892	442
Net current assets	-	-	-	2,240	8,279
Long term investments	-	-	-	-	-
Deferred tax assets	-	-	74	74	117
<b>Total assets employed</b>	<b>1,966</b>	<b>1,696</b>	<b>3,564</b>	<b>4,612</b>	<b>11,303</b>
Shareholders' funds	(3,331)	(2,018)	(1,189)	4,202	11,093
Non-controlling interest	(3)	(2)	(1)	(1)	(46)
Net current liabilities	3,531	2,821	2,809	-	-
Other non-current liabilities	1,769	875	1,838	237	25
Deferred tax liabilities	-	20	107	174	231
<b>Total funds invested</b>	<b>1,966</b>	<b>1,696</b>	<b>3,564</b>	<b>4,612</b>	<b>11,303</b>
<b>Per Ordinary Share</b>					
Profit/(Loss) after tax attributable to owners of the parent (cents)	(4.43)	(2.76)	(18.19)	(21.90)	0.18
Net tangible assets (cents)	(11.11)	(6.73)	(3.97)	14.01	36.98
<b>Financial Ratios</b>					
Net debt-equity ratio	NM	NM	NM	0.68	NM
Interest cover (times)	NM	NM	NM	NM	3.18

NM: not meaningful



# CORPORATE GOVERNANCE REPORT

Camsing Healthcare Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) recognise the importance of and are committed to maintaining high standards of corporate governance in conformity with the revised Code of Corporate Governance 2018 (the “**Code**”). Unless otherwise disclosed below, the Company is in compliance with the requirements of the Code during the financial year ended 31 January 2022 (“**FY2022**”).

## 1. BOARD MATTERS

### 1.1 The Board’s Conduct of Affairs

***Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.***

#### Provision 1.1

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

- (a) reviewing and adopting a strategic plan for the Company and the Group;
- (b) overseeing the overall conduct of the Company’s business and that of the Group;
- (c) identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;
- (d) reviewing the adequacy and integrity of internal controls systems and management information systems in the Company and within the Group;
- (e) developing and implementing a sound communications policy for investor relations; and
- (f) succession planning, including appointing and determining compensation of senior management.

All Directors, being fiduciaries, are required to act objectively in the best interests of the Company. The Board has a general understanding and expectation of a code of conduct and ethics and desired organisational culture so as to ensure proper accountability of the Company. The Board will revisit and formalise such understanding and expectations in due course.

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group and is obliged to act in good faith and to take objective decisions in the interest of the Group. When a potential conflict of interest situation arises, the affected Director will recuse himself or herself from the discussion and decisions involving the areas of potential conflict, unless the Board is of the opinion that his participation is necessary. Where such participation is permitted, the conflicted Director shall excuse himself or herself for an appropriate period during the discussions to facilitate full and frank exchange by the other Directors, and shall in any event recuse himself or herself from the decision-making.

#### Provision 1.2

All the Directors have a good understanding of the Group’s business as well as their directorship duties (including their roles as executive Directors of the Company (“**Executive Directors**”), non-executive Directors of the Company (“**Non-Executive Directors**”) and independent Directors of the Company (“**Independent Directors**”), as the case may be). Directors are expected to develop their competencies to effectively discharge their duties are provided with opportunities to develop and maintain their skills and knowledge at the Company’s expense.

The Board is kept updated on pertinent business developments in the business, including the key changes in the regulatory requirements and financial reporting standards, risk management,

# CORPORATE GOVERNANCE REPORT

corporate governance and industry specific knowledge, so as to enable them to properly discharge their duties as members of the Board and Board Committees. Directors may request further explanations, briefings and informal discussions on any aspects of the Group's operations or business issues.

On an ongoing basis, news releases issued by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Accounting and Corporate Regulatory Authority ("ACRA") which are relevant to the Group's business are circulated to the Board.

Newly appointed Directors are given briefings on the Group to ensure that they are familiar with the Group's key business and governance practices. Prior to their appointment, new Directors are provided with the relevant information on their duties as Directors, the Company's governance processes as well as relevant statutory and regulatory compliance matters. Familiarisation visits have been organised, if necessary, to facilitate a better understanding of the Group's operations.

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

All Directors will be given continuous and ongoing training programmes by attending courses, seminars and talks. The Directors attend courses, briefings and seminars, relating to risk management, corporate governance, investors relations and reporting requirements in relation to financial statements.

The Directors did not attend any structured training programs during FY2022. Nevertheless, the Directors were from time to time kept abreast of any major changes and development in financial reporting, risk management and other regulatory requirements by the Company's auditors (both internal and external) and Company Secretary.

## Provision 1.3

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

- (a) setting of strategic direction or policies or financial objectives which have or may have a material impact on the profitability or performance of the Group;
- (b) decisions to commence, discontinue or modify significantly any business activity or to enter or withdraw from a particular market sector, corporate or financial restructuring;
- (c) decisions over new borrowings exceeding S\$2.5 million or significant amendments to the terms and conditions of existing borrowings other than in the ordinary course of business;
- (d) material acquisitions and disposal of assets;
- (e) all corporate actions for which shareholder approval is required; and
- (f) any other matters which require the Board's approval as prescribed under the relevant legislation and regulations as well as the Company's Constitution.

## Provision 1.4

To further assist in the execution of its responsibilities and to enhance the Company's corporate governance framework, the Board has established three (3) board committees, namely the Audit Committee (the "**AC**"), the Nominating Committee (the "**NC**") and the Remuneration Committee (the "**RC**") (collectively, the "**Board Committees**"). These Board Committees operate within clearly

# CORPORATE GOVERNANCE REPORT

defined terms of reference and operating procedures which are reviewed on a regular basis. The AC is responsible for undertaking an independent review of the effectiveness of the financial reporting process and internal control systems of the Company and if required, to make the necessary recommendations to strengthen the necessary processes and controls to the Board. The NC is responsible for reviewing and making the appropriate recommendations to the Board on all board appointments and re-appointments while the RC is responsible for establishing and implementing a framework for remuneration of directors and key management personnel.

The effectiveness of each Board Committee is also constantly monitored. Minutes of all Board Committee meetings are circulated to the Board so that the Directors are aware of and kept updated to the proceedings and matters discussed during such meetings.

The Board has delegated the day-to-day operations to Management while reserving key matters for Board approval. Management in conducting day-to-day operations of the Group will be guided by internal guidelines (such as the approval limits for various expenditures, banking and treasury approval limits and authorised signatories) that clearly set out the matters which must be approved by the Board. In addition, the Board is free to request for further clarification and information from Management on all matters within their purview. Notwithstanding the above delegation of authority by the Board, the ultimate responsibility on all matters lies with the Board.

## Provision 1.5

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

The number of meetings held by the Board and Board Committees and the attendance of each Director during FY2022 are summarised in the table below:

Name of Director	Board		AC		RC		NC	
	Held <sup>#</sup>	Attended	Held <sup>#</sup>	Attended	Held <sup>#</sup>	Attended	Held <sup>#</sup>	Attended
Lo Ching <sup>(1)</sup>	0	-	0	-	0	-	0	-
Liu Hui	3	2	3	0	0	-	2	0
Patel Anand Rameshchandra <sup>(2)</sup>	0	-	0	-	0	-	0	-
Tay Chiew Sheng <sup>(3)</sup>	0	-	0	-	0	-	0	-
Lim Heng Huat <sup>(3)</sup>	0	-	0	-	0	-	0	-
Tan Chade Phang <sup>(4)</sup>	1	1	1	1	0	-	2	2
Koh Boon Chiao <sup>(5)</sup>	1	1	1	1	0	-	2	2
Yeo Choon Tat <sup>(6)</sup>	2	2	3	3	0	-	2	2

### Notes:

<sup>#</sup> The number of meetings indicated "Held" above reflects the number of meetings held during the time the respective Directors held office.

<sup>^</sup> Attendance by invitation.

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

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

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

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

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

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

# CORPORATE GOVERNANCE REPORT

The number of meetings held by the Board and Board Committees and the attendance of each Director from the period starting 1 February 2022 to the date of this Report are summarised in the table below:

Name of Director	Board No. of meetings		AC No. of meetings		RC No. of meetings		NC No. of meetings	
	Held#	Attended	Held#	Attended	Held#	Attended	Held#	Attended
Liu Hui	1	1	2	1 <sup>^</sup>	1	0	1	0
Yeo Choon Tat	1	1	2	2	1	1	1	1
Tan Keng Keat (Chen Qingjie) <sup>(1)</sup>	1	1	1	1	1	1	1	1
<p>Notes:</p> <p># The number of meetings indicated "Held" above reflects the number of meetings held during the time the respective Directors held office.</p> <p>^ Attendance by invitation.</p> <p>(1) Mr. Tan Keng Keat (Chen Qingjie) was appointed as an Independent Director of the Company on 25 July 2022.</p>								

All Directors are required to declare their board representations on an annual basis and as soon as practicable after the relevant facts have come to his or her knowledge.

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

## Provision 1.6

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

The Executive Director also updates the Board at each Board meeting on business and strategic developments, and the Management highlights salient issues as well as risk management considerations for the industry which the Group is in.

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

## Provision 1.7

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

# CORPORATE GOVERNANCE REPORT

Should the Directors, whether as a group or individually, require independent professional advice in furtherance of their duties and responsibilities as Directors, such professionals will be appointed at the Company's expense.

## 1.2 Board Composition and Guidance

***Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.***

### Provision 2.1

The criterion for independence is based on the criteria set out in the Code. The Code defines an Independent Director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. The independence of each Director is reviewed annually by the NC in accordance with the criteria of independence in the Code.

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

### Provisions 2.2 and 2.3

Where the Chairman is not an Independent Director, the Independent Directors shall make up a majority of the Board. As of the date of this Report, Independent Non-Executive Directors make up a majority of the Board. Currently, Mr. Yeo Choon Tat and Mr. Tan Keng Keat (Chen Qingjie) act as Independent Directors while Ms. Liu Hui is the Executive Director.

The Board does not currently have a Chairman, and this is pending the appointment of another independent director. In the interim, Mr. Yeo Choon Tat typically chairs meetings of the Board and takes on the functions of Chairman of the Board. In any event, the Company is actively sourcing for suitable candidates to be appointed as Non-Executive and/or Independent Directors to comply with the requirements of the Code in relation to the composition of the Board and Board Committees.

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

Pursuant to another Notice of Compliance dated 23 September 2021 issued by SGX RegCo (the "23 Sep NOC"), SGX RegCo highlighted that the Company is required to appoint two independent directors by 15 December 2021 as a consequence of the resignation of two former independent directors on 15 September 2021.

The Company has been in active communications with SGX RegCo to nominate proposed candidates to be appointed as independent directors, and Mr. Tan Keng Keat (Chen Qingjie) was accordingly appointed on 25 July 2022. The Company is in the process of identifying and nominating another candidate to be appointed as an independent director.

### Provision 2.4

As at the end of FY2022, the Board comprises two (2) Directors, of whom one (1) is an Independent Director. The composition of the Board as at the end of FY2022 is set out below:

#### **Executive Directors**

Liu Hui - Executive Director

# CORPORATE GOVERNANCE REPORT

## **Non-Executive Directors**

Yeo Choon Tat - Independent Non-Executive Director

At the date of this Report, the Board comprises three (3) Directors, of whom two (2) are Independent Directors. The composition of the Board as at the date of this Report is set out below:

## **Executive Director**

Liu Hui - Executive Director

## **Non-Executive Directors**

Yeo Choon Tat - Independent Non-Executive Director

Tan Keng Keat (Chen Qingjie) - Independent Non-Executive Director

The Board constantly reviews its size and is of the view that the current Board size is appropriate to facilitate effective decision-making and will bring independent judgment, taking into account the scope and nature of the operations of the Company and the Group.

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

### Provision 2.5

The Independent Director provides oversight on Management performance by constructively challenging and helping to develop proposals on strategy. He monitors and reviews the reporting and performance of Management in meeting agreed goals and objectives. Where appropriate, the Independent Director provides feedback to the Board.

## **1.3 Chairman and Chief Executive Officer**

***Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.***

### Provision 3.1

As disclosed above, the Board does not have a Chairman currently. In the interim, Mr. Yeo Choon Tat typically chairs meetings of the Board and takes on the functions of Chairman of the Board.

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

### Provision 3.2

Taking on the function of the Chairman of the Board, Mr. Yeo Choon Tat bears primary responsibility for the workings of the Board, by ensuring effectiveness on all aspects of its role including setting agenda for Board meetings with input from Management, ensuring that sufficient time is allocated for discussion of agenda items at Board meetings, promoting an open environment at Board meetings for constructive debate, encouraging all Directors to speak freely, and exercising control over the quality, quantity and timeliness of information flow between the Board and Management. At annual general meetings (each, an "AGM") and other Shareholders' meetings, he plays a pivotal role in fostering constructive dialogue between Shareholders, the Board and Management. The Board will formally appoint a Chairman of the Board after one additional Independent Directors has been appointed.

# CORPORATE GOVERNANCE REPORT

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

## Provision 3.3

The Board does not currently have a lead independent director. Mr. Yeo Choon Tat, who was appointed on 22 June 2021, is presently the Chairman of the AC and the NC. Mr. Tan Keng Keat (Chen Qingjie), who was appointed on 25 July 2022, is presently the Chairman of the RC. The Independent Directors are available to Shareholders where they have concerns and for which contact through the normal channels of the Executive Director or Management has failed to resolve or is inappropriate.

## **1.4 Board Membership**

***Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.***

## Provisions 4.1 and 4.2

The NC currently comprises Mr. Yeo Choon Tat (Chairman) and Mr. Tan Keng Keat (Chen Qingjie), who are each an Independent Non-Executive Director. The Company is taking active steps to source for suitable candidates to be appointed as Non-Executive and/or Independent Directors, so that the NC will comprise at least three Directors, the majority of whom, including the NC Chairman, are independent. As disclosed above, the Company has recently appointed Mr. Tan Keng Keat (Chen Qingjie) as an Independent Director on 25 July 2022 and is in the process of identifying and nominating another candidate to be appointed as an independent director.

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

- (a) to make recommendations to the Board on all Board appointments and re-nominations, having regard to the Director's contribution and performance (for example, attendance, preparedness, participation and candour) including as an Independent Director;
- (b) to determine on an annual basis whether or not a Director is independent;
- (c) to decide whether a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when the Director has multiple board representations;
- (d) to ensure that all Directors submit themselves for re-nomination and re-election at regular intervals;
- (e) to assess the effectiveness of the Board as a whole and its Board Committees, and the contribution by each individual Director to the effectiveness of the Board;
- (f) to review the board succession plans for Directors; and
- (g) to review the training and professional development programmes for the Board.

## Provision 4.3

There is a formal and transparent process for the appointment of new Directors to the Board. If the appointment of new Directors is required, the NC will identify potential candidates from various sources. If need be, the NC may seek assistance from external search consultants for the selection of potential candidates. Directors and Management may also put forward names of potential candidates, together with their curriculum vitae, for consideration. The NC reviews and recommends all new Board appointments and also the re-nomination and re-appointment of

# CORPORATE GOVERNANCE REPORT

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

The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Article 90 of the Company's Constitution provides that one-third of the Board, or the number nearest to one-third, shall retire by rotation at every AGM. Article 91 of the Company's Constitution provides that the Directors to retire shall be the Directors who have been longest in office since their last election.

In addition, Article 96 of the Company's Constitution provides that new Directors appointed during the year either to fill a casual vacancy or as an additional Director shall retire but shall be eligible for re-election at the following general meeting of the Company.

Accordingly, Ms. Liu Hui is retiring at the forthcoming AGM in accordance with Articles 90 and 91 of the Company's Constitution, and Mr. Tan Keng Keat (Chen Qingjie) is retiring at the forthcoming AGM in accordance with Article 96.

Being eligible, Ms. Liu Hui and Mr. Tan Keng Keat (Chen Qingjie) have offered themselves for re-election. The NC, has recommended the re-election of Ms. Liu Hui and Mr Tan Keng Keat (Chen Qingjie) to the Board. For the avoidance of doubt, Mr. Tan Keng Keat (Chen Qingjie) has abstained from the NC's recommendation pertaining to his re-election. In making the recommendation, the NC has considered the overall contribution and performance of Ms. Liu Hui and Mr. Tan Keng Keat (Chen Qingjie).

#### Provision 4.4

The NC is also responsible for determining the independence of Directors annually. In doing so, the NC takes into account the criteria set forth in the Code and any other salient factors.

Mr. Yeo Choon Tat and Mr. Tan Keng Keat (Chen Qingjie) have confirmed their independence in accordance with the criteria of independence in the Code and the NC, following its review, is of the view that they are independent in accordance with the definition of independence in the Code. For the avoidance of doubt, each of Mr. Yeo Choon Tat and Mr. Tan Keng Keat (Chen Qingjie) have abstained from reviewing his own independence.

#### Provision 4.5

Based on the attendance of the Directors and their contributions at meetings of the Board and Board Committees and their time commitment to the affairs of the Company, the NC believes that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

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

Name of Director	Liu Hui	Yeo Choon Tat	Tan Keng Keat (Chen Qingjie)
Role	Executive Director	Independent Director	Independent Director



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Board Committee(s) memberships	NIL	<ul style="list-style-type: none"> <li>• Audit Committee (Chairman)</li> <li>• Nominating Committee (Chairman)</li> <li>• Remuneration Committee (Member)</li> </ul>	<ul style="list-style-type: none"> <li>• Audit Committee (Member)</li> <li>• Nominating Committee (Member)</li> <li>• Remuneration Committee (Chairman)</li> </ul>
Date of first appointment as Director	19 November 2015	22 June 2021	25 July 2022
Date of last re-election as Director	4 March 2022	29 April 2022	NIL
Present directorship in other listed companies	NIL	NIL	Imperium Crown Limited (Executive Director and Chief Financial Officer).
Other principal commitments	NIL	Director of Nature's Farm Retail Pte. Ltd., the Company's wholly-owned subsidiary.	Please see above.

## 1.5 **Board Performance**

***Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.***

### Provisions 5.1 and 5.2

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

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

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

The NC, having reviewed the overall performance of the Board and the Board Committees in terms of its roles and responsibilities and the conduct of its affairs as a whole and each individual Director's performance, is of the view that the performance of the Board and each individual Director has been satisfactory. Each member of the NC has abstained from voting on any resolution and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his performance or re-nomination as a Director.

During FY2022, no external facilitators were used for the evaluation process.

# CORPORATE GOVERNANCE REPORT

## 2. REMUNERATION MATTERS

### 2.1 Procedures for Developing Remuneration Policies

***Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***

#### Provisions 6.1, 6.2 and 6.3

The RC currently comprises Mr. Tan Keng Keat (Chen Qingjie) (Chairman) and Mr. Yeo Choon Tat (Member), who are each an Independent Non-Executive Director. The Company is taking active steps to source for suitable candidates to be appointed as Non-Executive Directors and/or Independent Directors, so that the RC will comprise at least three Directors, all of whom are Non-Executive and the majority of whom, including the RC Chairman, are independent. As disclosed above, the Company has recently appointed Mr. Tan Keng Keat (Chen Qingjie) as an Independent Director on 25 July 2022 and is in the process of identifying and nominating another candidate to be appointed as an independent director.

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

- (a) To review and recommend for endorsement to the entire Board, a framework for remuneration for the Directors and key management personnel of the Company;
- (b) To review the remuneration packages for each Executive Director as well as for key management personnel. The RC's recommendations are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives, awards and benefits in kind are covered by the RC. As part of its review, the RC takes into consideration that the remuneration packages are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and level of responsibility;
- (c) In the case of service contracts, reviewing the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses; and
- (d) To carry out such other duties as may be agreed to by the RC and the Board.

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and benefits in kind, will be reviewed by the RC. The recommendations of the RC will be submitted to the Board for endorsement. Each member of the RC will abstain from voting on any resolution and making any recommendations in respect of his remuneration package. The overriding principle is that no Director should be involved in deciding his own remuneration.

#### Provisions 6.4

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

The RC will meet to consider and review the remuneration packages of the Directors and key management personnel, including those employees related to the Executive Directors and controlling shareholders of the Company. No remuneration consultants were engaged by the Company in FY2022.

# CORPORATE GOVERNANCE REPORT

## 2.2 Level and Mix of Remuneration

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

### Provisions 7.1 and 7.3

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

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

### Provision 7.2

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

## 2.3 Disclosure on Remuneration

**Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

### Provisions 8.1 and 8.3

A breakdown of remuneration paid to or accrued to each Director for FY2022 is as follows:

	Fees (%)	Salary (%)	Bonus (%)	Total (%)	Fee for FY2022 (S\$)
Directors					
Liu Hui	-	-	-	-	-
Tay Chiew Sheng <sup>(1)(3)</sup>	-	-	-	-	-
Lim Heng Huat <sup>(1)(3)</sup>	-	-	-	-	-
Patel Anand	-	-	-	-	-
Rameshchandra <sup>(2)(3)</sup>	-	-	-	-	-
Tan Chade Phang <sup>(4)</sup>	-	-	-	-	- (7)
Koh Boon Chiao <sup>(5)</sup>	-	-	-	-	- (7)
Yeo Choon Tat <sup>(6)</sup>	-	-	-	-	- (7)

#### Notes:

- (1) Mr. Tay Chiew Sheng ("Mr. Tay") and Mr. Lim Heng Huat ("Mr. Lim") were appointed as Independent Directors of the Company on 21 March 2019 and resigned as Independent Directors of the Company on 19 March 2021.
- (2) Mr. Patel Anand Rameshchandra ("Mr. Patel") was appointed as an Independent Director of the Company on 21 March 2019 and resigned as Independent Director of the Company on 22 March 2021.
- (3) The former Independent Directors Mr. Tay, Mr. Lim and Mr. Patel had been paid a total sum of S\$58,581 in advance of the Company's previous Annual General Meeting held on 31 December 2021 (the "FY2019 AGM"). At the FY2019 AGM, the resolution relating to payment of Directors' fees to these former Independent Directors for the financial year ended 31 January 2020 ("FY2020") was not passed by shareholders. The Company is in the midst of seeking recovery of the sums paid-out from these former Independent Directors, as well as legal advice in connection with such recovery.
- (4) Mr. Tan Chade Phang was appointed as an Independent Director of the Company on 23 March 2021 and resigned as Independent Director of the Company on 15 September 2021.
- (5) Mr. Koh Boon Chiao was appointed as an Independent Director of the Company on 29 March 2021 and resigned as Independent Director of the Company on 15 September 2021.

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

(7) At the FY2019 AGM, the resolution relating to payment of Directors' fees for FY2022 was not passed by shareholders. Accordingly, no Directors' fees have been paid for FY2022.

Given the highly competitive conditions of the industry in which the Group operates and the prevalent poaching of experienced executives, the Company believes that the disclosure of the total remuneration of each individual executive (who are not Directors or the CEO of the Company) ("**Key Management Personnel**") as recommended by the Code may not be in the best of the Group's interests. The Company has sought to provide the remuneration of these Key Management Personnel in the bands of S\$250,000.

During the period under review, the Group's Key Management Personnel is Ms. Patricia Tien who was appointed Director, Sales & Marketing of Nature's Farm Pte Ltd on 26 December 2019. The total remuneration (comprising salary and CPF contributions) for the Group's Key Management Personnel for FY2022 was S\$122,000.

The Group does not have any share-based compensation scheme or any long-term incentive scheme.

## Provision 8.2

The Group does not have employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during FY2022.

### 3. ACCOUNTABILITY AND AUDIT

#### 3.1 Risk Management and Internal Controls

***Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.***

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

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

## Provision 9.1

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

- (a) ensures that Management maintains a sound system of risk management to safeguard Shareholders' interest and the Group's assets;
- (b) determines the nature and extend of significant risks that the Board is willing to take in achieving its strategic objective;
- (c) determines the Company's levels of risk tolerance and risk policies;

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- (d) oversees Management in the design, implementation and monitoring of risk management and internal control systems (including financial, operational and compliance risk), and ensures that the necessary corrective actions are taken on a timely basis; and
- (e) reviews annually the adequacy and effectiveness of the risk management policies and systems, and key internal controls.

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

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

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

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

On 22 January 2021, the Company released an announcement via SGXNET, informing Shareholders that it had on 13 January 2021 appointed an independent reviewer from a big four accounting firm to conduct the Internal Control Review (the "**Independent Reviewer**"). On 8 August 2022, the Company released an announcement via SGXNET, informing Shareholders that the Independent Reviewer has completed the Internal Control Review and has provided its findings in a report issued to the Company (the "**Review Report**"). The Company further disclosed that the Company has addressed and implemented a significant majority of the recommendations of the Review Report, and is further reviewing the Review Report and will, in consultation with its internal auditors, Audit Committee, management team and other professional advisors, take such steps to address the remaining areas of concern identified in the report and implement the remaining recommendations proposed.

## Provision 9.2

For FY2022, the Board has received assurance from the Executive Director, Ms. Liu Hui, and the Senior Group Finance Manager, Jennifer Zhang that: (i) the financial records have been properly maintained and that the financial statements gave a true and fair view of the Company and the Group's operations and finances; and (ii) the Company and the Group have put in place and will continue to maintain an effective, reliable and sound system of risk management, internal controls (addressing financial, operational, information technology and compliance risks) and corporate governance.

The Board wishes to highlight that RSM, the special auditors by the Company, had identified certain internal control lapses and compliance issues in their report. In order to address these internal control lapses and compliance issues, the Company has engaged an independent reviewer from a big four accounting firm on 13 January 2021 to conduct the Internal Control Review, and to advise on the steps needed to rectify these internal control lapses and compliance issues. As disclosed above, the Company has addressed and implemented a significant majority of the recommendations of the Review Report, and is further reviewing the Review Report and will, in consultation with its internal auditors, Audit Committee, management team and other professional

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advisors, take such steps to address the remaining areas of concern identified in the report and implement the remaining recommendations proposed.

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

## 3.2 Audit Committee

***Principle 10: The Board has an Audit Committee which discharges its duties objectively.***

### Provisions 10.1 and 10.2

The AC currently comprises Mr. Yeo Choon Tat (Chairman) and Mr. Tan Keng Keat (Chen Qingjie) (Member), who are each an Independent Non-Executive Director. The Company is taking active steps to source for suitable candidates to be appointed as Non-Executive Directors and/or Independent Directors, so that the AC will comprise at least three Directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. As disclosed above, the Company has recently appointed Mr. Tan Keng Keat (Chen Qingjie) as an Independent Director on 25 July 2022 and is in the process of identifying and nominating another candidate to be appointed as an independent director.

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

- (a) To review the audit plan of the external auditors of the Company and ensure the adequacy of the Company's system of accounting controls and the co-operation given by the Company's Management to the external auditors;
- (b) To review the scope and results of the audit and its cost effectiveness;
- (c) To review significant financial reporting issues and judgements so as to ensure integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;
- (d) To review the half-year and full year financial results before submission to the Board for approval;
- (e) To review the assistance given by Management to the external auditors;
- (f) To review the internal audit programme and ensure co-ordination between the internal and external auditors and Management;
- (g) To review the adequacy and effectiveness of the Company's internal audit procedures;
- (h) To discuss problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (without the presence of Management, where necessary);
- (i) To review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;
- (j) To review the independence and objectivity of the external auditors annually;
- (k) To undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

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- (l) To undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time;
- (m) To make recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors; and
- (n) To review the adequacy of the Company's internal financial controls, operational, information technology and compliance controls, and risk management policies and systems established by the Management.

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

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

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

In its recommendation to the Board to approve the full year financial statements, the AC reviewed the results of the audit, significant findings or areas of emphasis and audit recommendations. In particular, the AC had, in consultation with Management and the external auditors, noted that certain key audit matters were highlighted in the Independent Auditors' Report on pages 30 to 37 of the Annual Report. Shareholders are advised to take note of these key audit matters in their review of the Financial Statements.

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

The aggregate amount of fees paid to the external auditors, broken down into audit and non-audit services, is disclosed in the Notes to the Financial Statements on page 79 of the Annual Report.

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

### Provision 10.3

No member of the AC is the former partner or Director of the Company's existing auditing firm or audit corporation.

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## Provision 10.4

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

As disclosed above, the Company had recently completed its Internal Control Review. The Company intends to outsource its internal audit function to a reputable accounting or audit firm/corporation, and will be identifying and shortlisting suitable candidates.

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

- (a) the internal auditors are adequately resourced and independent of the activities it audits;
- (b) the internal auditors are staffed with persons with the relevant qualifications and experience; and
- (c) the internal auditors are able to carry out its function according to the standards set by nationally or internationally recognised professional bodies, including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The internal auditors will report primarily to the AC Chairman and administratively, to the Management. The internal auditors will have unfettered access to all the Group's documents, records, properties and personnel, including access to the AC.

## Provision 10.5

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

## 4. SHAREHOLDER RIGHTS AND ENGAGEMENT

### 4.1 Shareholder Rights and Conduct of General Meetings

***Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

In line with the continuous disclosure obligations of the Company, pursuant to the Listing Manual and the Companies Act 1967, the Board's policy is that Shareholders are informed of all major developments that impact the Group regularly and on a timely basis. The Company believes in timely, fair and adequate disclosure of relevant information to the Shareholders and investors so that they will be apprised of the developments that may have a material impact on the price or value of Company's securities.

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



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

## Provision 11.1

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

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

## Provision 11.2

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

## Provision 11.3

The Directors, including the Chairman of the Board and each Board Committee are present at the AGM to address Shareholders' questions which have been submitted in advance. The Company held its annual general meeting in respect of the financial year ended 31 January 2020 on 4 March 2022 and its general meeting in respect of the financial year ended 31 January 2021 on 29 April 2022. At the aforementioned meetings, the Independent Director of the Company, Mr. Yeo Choon Tat, was present to address Shareholders' questions which have been submitted in advance. The reasons for the absence of Ms. Liu Hui was also disclosed to all Shareholders.

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

## Provision 11.4

The Company has not amended its Constitution to provide for absentia voting methods. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through digital media or the internet is not compromised.

## Provision 11.5

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

# CORPORATE GOVERNANCE REPORT

## Provision 11.6

The Company does not have a fixed dividend policy. The payment of dividend is deliberated by the Board annually having regard to various factors, including the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. Where dividends are not paid, the Company discloses the reasons.

## 4.2 Engagement with Shareholders

***Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.***

## Provisions 12.1, 12.2 and 12.3

The Company does not have an investor relations policy in place. Communication with Shareholders is managed by the Board. Pertinent information is communicated to Shareholders on a regular and timely basis through the following means:

- (a) results and annual reports are announced or issued within the mandatory period;
- (b) material information is disclosed in a comprehensive, accurate and timely manner via SGXNET and the press; and
- (c) the Company's annual and extraordinary general meetings.

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

## 5. ENGAGEMENT WITH STAKEHOLDERS

***Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***

## Provisions 13.1 and 13.2

The Company engages its stakeholders through different channels to establish, address and monitor the material environmental, social and governance factors and economic performance (collectively known as "**Sustainability Factors**") of the Company's operations and its impact on the various stakeholders.

The Company publishes a sustainability report for each financial year that which provides details its strategy and key areas of focus in relation to the management of stakeholder relationships. For the year, the sustainability report will be prepared in accordance with the Global Reporting Initiatives Standards: Core option and disclose on the Company's Sustainability Factors which includes (i) economic performance, (ii) waste management, (iii) product quality, (iv) training and education, (v) occupational health and safety and (vi) equality and diversity in the workplace.

For more information on the Company's approach to sustainability, please refer to the Company's Sustainability Report which will be released shortly after the forthcoming AGM.

## Provision 13.3

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

## 6. MATERIAL CONTRACTS

There were no material contracts entered into by the Company or its subsidiaries involving the interests of the Directors or controlling shareholders, which are either still subsisting at the end of FY2022 or if not then subsisting, entered into since the end of the previous financial year.

## 7. DEALINGS IN SECURITIES

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

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

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

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

## 8. INTERESTED PERSON TRANSACTION

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

During FY2022, the Group did not have a shareholders' mandate pursuant to Rule 920 of the Listing Manual. The Company wishes to highlight that it does not have any Interested Person Transactions exceeding \$100,000 in aggregate value in FY2022.

## 9. WHISTLE-BLOWING POLICY

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

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

# RISK ASSESSMENT AND MANAGEMENT

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

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

## 1. Political, Social, Economic Risks

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

## 2. Financial Risks

The Group is exposed to a variety of financial risks, namely credit, liquidity, interest rate and foreign currency risks. The identification and management of such risks are outlined on pages 82 to 87 of the Annual Report (under Note 25 to the Financial Statements).

## 3. Operational Risk

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

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

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

## 4. Investment Risk

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

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

## 5. Compliance and Legal Risk

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

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

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

# DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Camsing Healthcare Limited (the “Company”) and subsidiaries (the “Group”) for the financial year ended 31 January 2022 and the statement of financial position and the statement of changes in equity of the Company as at 31 January 2022.

In the opinion of the directors,

- (a) the statement of financial position and the statement of changes in equity of the Company and the consolidated financial statements of the Group as set out on pages 12 to 63 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 January 2022 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year then ended; and
- (b) at the date of this statement, based on factors described in Note 2(b) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

## **Directors**

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

Liu Hui  
Yeo Choon Tat  
Tan Keng Keat (appointed on 25 July 2022)

## **Directors' interests in shares or debentures**

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act 1967, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations.

## **Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

# DIRECTORS' STATEMENT

## Share options

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

## Audit committee

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

Yeo Choon Tat (Chairman)

Tan Keng Keat (appointed on 25 July 2022)

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditors and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditors;
- the periodic results announcements prior to their submission to the Board for approval;
- the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group for the financial year ended 31 January 2022 prior to their submission to the Board of Directors, as well as the independent auditor's report on the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited), if any.

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

# DIRECTORS' STATEMENT

## **Independent auditors**

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

## **On behalf of the Board of Directors**

**LIU HUI**  
Director

**YEO CHOON TAT**  
Director

23 August 2022

# INDEPENDENT AUDITOR'S REPORT

To the Members of Camsing Healthcare Limited



**Crowe Horwath First Trust LLP**

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## Report on the Audit of the Financial Statements

### *Qualified Opinion*

We have audited the financial statements of Camsing Healthcare Limited (the "Company") and its subsidiaries (the "Group"), set out on pages 12 to 63, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 January 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 January 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date.

### *Basis for Qualified Opinion*

Our independent auditor's report on the consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 January 2021 ("FY2021") dated 14 April 2022 contained a qualified opinion on those financial statements ("FY2021 Qualified Report") due to the following matters:

- a) Limitation of scope in relation to the appropriateness of the transactions arising from the consignment agreements with I-Nitra Consulting Limited and the corresponding trade payables and accrued purchases of \$577,000 as at 31 January 2021 and 31 January 2020 (which was substantially brought forward since 2019);
- b) Opening balance of inventories for FY2021 and the comparability of FY2021 figures with corresponding figures; and
- c) Opening balance of investment in subsidiaries in the Company's balance sheet as at FY2021 and the comparability of FY2021 figures with corresponding figures.

Crowe Horwath First Trust LLP (UEN: T08LL1312H) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act 2005



# INDEPENDENT AUDITOR'S REPORT

To the Members of Camsing Healthcare Limited



## ***Basis for Qualified Opinion (Continued)***

### Balance due to I-Nitra Consulting Limited ("I-Nitra")

As described in our FY2021 Qualified Report, we are unable to obtain sufficient appropriate audit evidence to determine the commercial substance or business rationale of the consignment arrangement. Further, we are also unable to perform alternative audit procedures that we considered necessary, including obtaining the necessary confirmation from I-Nitra as at the balance sheet date. Consequently, we are unable to conclude on the appropriateness of the outstanding balance due to I-Nitra of \$574,000 (2021: \$577,000) as at 31 January 2022.

In view of the matter that remain unresolved, we are unable to determine whether the opening balances as at 1 February 2021 are fairly stated. Any adjustments to the opening retained earnings as at 1 February 2021 would have consequential effects on the current year's consolidated financial statements. Since the opening balances as at 1 February 2021 entered into the determination of the financial performance, changes in equity and cash flows of the Group for the financial year ended 31 January 2022 ("FY2022"), we are unable to determine whether adjustments might have been necessary in respect of the Group's financial statements for FY2022. Our opinion for the current financial year's financial statements is also modified because of the possible effects of these matters on the comparability of current year's figures with the corresponding figures.

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Camsing Healthcare Limited



## ***Material Uncertainty Related to Going Concern***

Without further modifying our opinion, we draw attention to Note 2(b) to the financial statements. The Group incurred a net loss for the year of \$1,329,000 for FY2022 and was in net liabilities position of \$3,334,000 as at 31 January 2022. The Group's cash and bank balances amounted to \$474,000 and bank loans of \$864,000 as at 31 January 2022. As disclosed in Note 10 to the financial statements, two subsidiaries of the Group have breached certain bank covenants and defaulted on the repayment of bank loans since 2019. As at the date of this report, the Group still owes the bank a remaining loan balance of approximately \$702,000 and is in the process of formalising the repayment plan with the bank for the remaining indebtedness.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group and the Company to continue as going concerns. Notwithstanding these conditions, the Group has prepared the financial statements on a going concern basis due to the reasons as disclosed in Note 2(b) to the financial statements, which includes, *inter-alia*, the following:

- (i) a second loan agreement ("Second Loan Agreement") signed with an investor (the "Investor") on 3 March 2022 to extend an additional loan of \$2,991,000 in various tranches, in addition to the first loan disbursed from the Investor of \$1,300,000 which has been fully utilised as at the date of this report. Pursuant to the terms of the agreement, interest is charged at 12% per annum and the loans mature on 23 January 2023, unless an early repayment or immediate repayment is triggered by events of default. On the same day, the Company and the Investor entered into an investment agreement in connection with the redemption of the outstanding loans to subscribe for 102,166,007 shares of the Company at an issue price of \$ 0.042 each and 167,834,000 share options at an aggregate price of \$1 which shall be fully set-off against the outstanding loans owing to the Investor, subject to certain conditions being fulfilled by the Company which includes the resumption of the trading of the Company's shares on SGX-ST. As of the date of these financial statements, the Company has received approximately \$932,000 from the Investor pursuant to the Second Loan Agreement.
- (ii) the ability of the Group to continue to generate positive cash flows from its operations.

In the event the Group and the Company are unable to continue as going concerns, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to these financial statements.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Camsing Healthcare Limited



## ***Other Information***

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Because of the possible effects of the matters described in the *Basis of Qualified Opinion* section of our report, we are unable to conclude whether or not the other information is materially misstated with respect to the matters.

## ***Key Audit Matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the *Basis of Qualified Opinion* and *Material Uncertainty Related to Going Concern* sections, we have determined the matters described below to be the key audit matters to be communicated in our report.

- ***Impairment assessment of non-financial assets (Group)***

As disclosed in Notes 4 and 5 to the financial statements, the net carrying amounts of the Group's plant and equipment ("P&E") and right-of-use ("ROU") assets amounted to \$106,000 and \$1,616,000 respectively. As a result of continuous operating losses reported by the Group's retail outlets, which was due principally to the negative effects of Covid-19, the Group identified impairment indicators for certain outlets and performed an impairment assessment to determine the recoverable amounts of certain corresponding balance of the Group's P&E and ROU assets. Management recorded impairment charges on P&E and ROU assets of \$19,000 and \$130,000 respectively to reduce the carrying values of non-current assets of each loss-making retail store to their respective estimated recoverable amounts. The Group has determined the value-in-use ("VIU") for each retail stores with impairment indicator using cash flow projections based on financial budgets prepared by management for the remaining lease terms.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Camsing Healthcare Limited



## **Key Audit Matters (Continued)**

- Impairment assessment of cost of investment in subsidiaries (Company)

The Company's net carrying amount of the cost of investment in subsidiaries amounted to \$900,000. The Group's financial performance and financial position are mainly contributed by its principal subsidiary, NF. Management considered NF as a cash-generating unit ("CGU") that generates independent cash flows from the sales of health food and supplements. With the assistance of an independent valuer, the Group has determined the value-in-use ("VIU") of NF using a 5-year cashflow projections based on financial budgets prepared by management.

Impairment assessment of the Group's P&E and ROU assets and the Company's cost of investment in NF is considered to be key audit matters due to the significance of the assets to the Group's and the Company's financial positions and also due to the estimations involved in the assessment of the VIU of the P&E and ROU assets of retail stores and of the cost of investment in NF performed by the management. Significant judgements are used to determine the discount rate and revenue growth rates used in VIU computations. The continually evolving situation due to Covid-19 pandemic during the year resulted in inherent uncertainty in the impairment assessment. In making these estimates, management has relied on past performance, its expectations of market developments including estimates of the recovery of the retail environment in Singapore.

### *Our procedures to address the key audit matters*

We have assessed the key assumptions used in the impairment assessment of the Group's P&E and ROU assets and the Company's cost of investment in NF.

Our audit procedures include the following:

- obtained an understanding of management's impairment assessment process and assessed the appropriateness of management's identification of CGU;
- obtained the VIU computations of each retail stores with impairment indicator and the VIU computation of NF as a CGU and identified the underlying key assumptions which include discount rate, budgeted revenue growth rate, budgeted gross margin;
- reviewed these key assumptions for reasonableness by comparing the forecasts to historical revenue achieved, historical costs incurred, gross margin achieved and revenue growth rate;
- evaluated the appropriateness of the discount rate used by management; and
- performed sensitivity analysis in the areas of budgeted revenue growth rate and discount rate assumptions.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Camsing Healthcare Limited



## ***Key Audit Matters (Continued)***

Our procedures for VIU of NF include, in addition to the above, the following:

- assessed the objectivity, competency and capability of management's expert engaged to support management in the VIU computation of NF as a CGU; and
- reviewed these key assumptions for reasonableness by comparing terminal year growth rate to published industry reports.

We have obtained satisfactory explanations from management and management's expert regarding the basis, methods and key assumptions used in determining the recoverable values of P&E and ROU assets of the retail stores and cost of investment in NF. We also considered the extent of disclosures set out in Notes 4 to 6 of the financial statements.

## ***Responsibilities of Management and Directors for the Financial Statements***

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

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Camsing Healthcare Limited



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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Camsing Healthcare Limited



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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## ***Report On Other Legal and Regulatory Requirements***

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

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

**Crowe Horwath First Trust LLP**  
Public Accountants and  
Chartered Accountants  
Singapore

23 August 2022

# STATEMENTS OF FINANCIAL POSITION

As at 31 January 2022

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Plant and equipment	4	106	230	-	-
Right-of-use assets	5	1,616	1,210	-	-
Investment in subsidiaries	6	-	-	900	900
Other receivables	7	244	256	-	-
		<u>1,966</u>	<u>1,696</u>	<u>900</u>	<u>900</u>
<b>Current assets</b>					
Cash and bank balances	22	474	735	-	51
Trade receivables	7	93	116	-	-
Other receivables	7	322	817	61	134
Inventories	8	618	720	-	-
Tax recoverable		39	-	-	-
		<u>1,546</u>	<u>2,388</u>	<u>61</u>	<u>185</u>
<b>TOTAL ASSETS</b>		<u>3,512</u>	<u>4,084</u>	<u>961</u>	<u>1,085</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables	9	746	536	-	-
Other payables	9	2,119	1,847	877	614
Interest-bearing loans and borrowings	10	864	1,300	-	-
Lease liabilities	11	1,126	1,514	-	-
Provisions	12	45	12	-	-
Contract liabilities	16	177	-	-	-
		<u>5,077</u>	<u>5,209</u>	<u>877</u>	<u>614</u>



# STATEMENTS OF FINANCIAL POSITION

As at 31 January 2022

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Non-current liabilities</b>					
Other payables	9	716	-	-	-
Lease liabilities	11	888	672	-	-
Provisions	12	165	203	-	-
Deferred tax liabilities	13	-	20	-	-
		<u>1,769</u>	<u>895</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>6,846</u>	<u>6,104</u>	<u>877</u>	<u>614</u>
<b>NET (LIABILITIES) / ASSETS</b>		<u>(3,334)</u>	<u>(2,020)</u>	<u>84</u>	<u>471</u>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	14	14,250	14,250	14,250	14,250
Foreign currency translation deficit	15	(4)	(19)	-	-
Accumulated losses		(17,577)	(16,249)	(14,166)	(13,779)
		<u>(3,331)</u>	<u>(2,018)</u>	<u>84</u>	<u>471</u>
Equity attributable to owners of the Company		(3,331)	(2,018)	84	471
Non-controlling interests		(3)	(2)	-	-
		<u>(3,334)</u>	<u>(2,020)</u>	<u>84</u>	<u>471</u>
<b>NET (DEFICIT) / EQUITY</b>		<u>(3,334)</u>	<u>(2,020)</u>	<u>84</u>	<u>471</u>

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

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 January 2022

	Note	2022 \$'000	2021 \$'000
<b>Revenue</b>	16	5,530	5,690
Cost of sales		(2,701)	(2,313)
		<hr/>	<hr/>
Gross profit		2,829	3,377
Other income	17	888	1,284
Marketing and distribution expenses		(3,795)	(3,764)
General and administrative and other operating expenses		(921)	(1,370)
Finance costs	18	(209)	(237)
Impairment loss on plant and equipment	4	(19)	-
Impairment loss on right-of-use assets	5	(130)	(171)
Reversal of impairment loss on financial assets		-	20
Reversal of provision for reinstatement costs	12	8	32
		<hr/>	<hr/>
<b>Loss before tax</b>	19	(1,349)	(829)
Income tax expense	20	20	-
		<hr/>	<hr/>
<b>Loss for the year</b>		(1,329)	(829)
		<hr/>	<hr/>
<b>Other comprehensive income / (loss):</b>			
Items that may be reclassified subsequently to profit or loss:			
- Exchange difference on translation of foreign operations		-	(1)
- Foreign currency translation reserve reclassified to profit and loss upon deregistration of a subsidiary		15	-
		<hr/>	<hr/>
<b>Other comprehensive income / (loss) for the year, net of tax</b>		15	(1)
		<hr/>	<hr/>
<b>Total comprehensive loss for the year</b>		(1,314)	(830)
		<hr/>	<hr/>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 January 2022

	Note	2022 \$'000	2021 \$'000
<b>Loss attributable to:</b>			
Equity holders of the Company		(1,328)	(828)
Non-controlling interests		(1)	(1)
		<u>(1,329)</u>	<u>(829)</u>
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company		(1,313)	(829)
Non-controlling interests		(1)	(1)
		<u>(1,314)</u>	<u>(830)</u>
<b>Loss per share (cents)</b>			
<b>Basic and diluted</b>	21	<u>(4.43)</u>	<u>(2.76)</u>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 January 2022

Group	Attributable to equity holders of the Company					Total equity \$'000
	Share capital \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	
<b>Balance as at 1 February 2020</b>	14,250	(18)	(15,421)	(1,189)	(1)	(1,190)
Total comprehensive loss for the year	-	-	(828)	(828)	(1)	(829)
Loss for the year	-	(1)	-	(1)	-	(1)
Exchange difference on translation of foreign operation	-	(1)	(828)	(829)	(1)	(830)
<b>Balance as at 31 January 2021</b>	14,250	(19)	(16,249)	(2,018)	(2)	(2,020)

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 January 2022

Group	Attributable to equity holders of the Company					Total equity \$'000
	Share capital \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	
<b>Balance as at 1 February 2021</b>	14,250	(19)	(16,249)	(2,018)	(2)	(2,020)
Total comprehensive loss for the year	-	-	(1,328)	(1,328)	(1)	(1,329)
Loss for the year	-	15	-	15	-	15
Reclassification to profit or loss on deregistration of a subsidiary	-	15	(1,328)	(1,313)	(1)	(1,314)
<b>Balance as at 31 January 2022</b>	14,250	(4)	(17,577)	(3,331)	(3)	(3,334)

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

# STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 January 2022

<b>Company</b>	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
<b>Balance as at 1 February 2020</b>	14,250	(10,187)	4,063
Loss for the year, representing total comprehensive loss for the year	-	(3,592)	(3,592)
<b>Balance as at 31 January 2021</b>	14,250	(13,779)	471
<b>Balance as at 1 February 2021</b>	14,250	(13,779)	471
Loss for the year, representing total comprehensive loss for the year	-	(387)	(387)
<b>Balance as at 31 January 2022</b>	14,250	(14,166)	84

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 January 2022

	Note	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>			
Loss before tax		(1,349)	(829)
Adjustments:			
Depreciation for plant and equipment	4	102	206
Depreciation for right-of-use assets	5	1,209	1,488
Impairment loss on plant and equipment	4	19	-
Impairment loss on right-of-use assets	5	130	171
Reversal of impairment loss on financial assets		-	(20)
(Reversal) / Allowance for inventory obsolescence	8	(30)	25
Inventory written off	8	28	10
Reversal of provision for reinstatement costs	12	(8)	(32)
Gain on disposal of plant and equipment	17	-	(17)
Interest income	17	-	(7)
Rent concessions and rebate	17	(345)	(825)
Interest expenses	18	168	177
Gain on lease modification	17	(250)	-
Plant and equipment written off	19	36	202
Prepaid expenses written off	19	-	94
Gain on deregistration of a subsidiary		(9)	-
Operating (loss) / profit before working capital changes		(299)	643
Trade and other receivables		530	45
Inventories		104	464
Trade and other payables		195	906
Contract liabilities		177	-
Provisions		3	7
Cash generated from operations		710	2,065
Income tax paid		(39)	-
Net cash from operating activities		671	2,065
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	4	(33)	(6)
Proceeds from disposal of plant and equipment		-	35
Net cash (used in) / from investing activities		(33)	29

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 January 2022

	Note	2022 \$'000	2021 \$'000
<b>Cash flows from financing activities</b>			
Interest paid	18	(141)	(177)
Repayment of interest-bearing loans and borrowings	10	(436)	(361)
Repayment of lease liabilities		(1,322)	(1,484)
Loan from ultimate holding company	10	300	-
Loan from Investor	10	700	-
		<hr/>	<hr/>
Net cash used in financing activities		(899)	(2,022)
		<hr/>	<hr/>
<b>Net (decrease) / increase in cash and bank balances</b>		(261)	72
<b>Cash and bank balances at beginning of year</b>		735	663
		<hr/>	<hr/>
<b>Cash and bank balances at end of year</b>	22	474	735
		<hr/>	<hr/>

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

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

## 1. GENERAL INFORMATION

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

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

The financial statements for the financial year ended 31 January 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 23 August 2022.

## 2(a). SPECIAL AUDIT OF THE GROUP

Please refer to Note 2(a) to the audited financial statements for the financial years ended 31 January 2019 for a summary of the special auditors' findings and the incumbent management's brief responses thereto.

As at the date of this report, the independent reviewer has completed its review in respect of certain internal control matters and certain business processes as recommended by the special auditors. As announced via SGXNET on 8 August 2022, the independent reviewer has provided its findings in a report issued to the Company, pursuant to the Notice of Compliance from SGX RegCo dated 1 September 2020 following the completion of the special audit. Please refer to the announcement for more details.

## 2(b). FUNDAMENTAL ACCOUNTING CONCEPT

The Group incurred a net loss for the year of \$1,329,000 (2021: \$829,000) for the financial year ended 31 January 2022. As at 31 January 2022, the Group had bank borrowings and cash and bank balances of approximately \$864,000 and \$474,000 (2021: \$1,300,000 and \$735,000) respectively as well as a net equity deficit of \$3,334,000 (2021: \$2,020,000).

As disclosed in Note 10 to the financial statements, a subsidiary of the Group has breached certain bank covenants and defaulted on the repayment of a bank loan since 31 January 2019. By a letter of demand dated 27 August 2019, the bank demanded repayment of bank borrowings (including accrued interest thereon and other charges) owing by the Group. Subsequently, the Group managed to seek the agreement of the bank to restructure the repayment of the remaining balance. As at the date of this report, the Group still owes the bank a remaining loan balance of approximately \$702,000 and is in the process of formalising the repayment plan with the bank for the remaining indebtedness.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 2(b). FUNDAMENTAL ACCOUNTING CONCEPT (Continued)

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

- (i) In May 2021, the Group obtained an unsecured loan of \$300,000 from its major shareholder.
- (ii) In October 2021, the Group obtained an unsecured working capital loan of \$300,000 from an independent party ("Investor") who has expressed interest in investing in the Company. In December 2021 and February 2022, the Investor extended further working capital loans of \$400,000, and \$600,000 respectively to the Group. Such working capital loans have since been formalised in a loan agreement dated 25 December 2021 (see [iii] below).
- (iii) In December 2021, the Company entered into an investment agreement and a loan agreement ("First Loan Agreement") with the Investor wherein the Investor would be extending and injecting substantial sums of funds to the Company subject to the satisfaction of certain conditions as stipulated in the agreements.
- (iv) As announced via SGXNet on 3 March 2022, the Company entered into, among others, a second loan agreement ("Second Loan Agreement") with the Investor. Pursuant to and subject to the terms and conditions of the Second Loan Agreement, the Investor shall loan to the Company up to an aggregate principal amount of \$2.9 million for purchase of healthcare supplements and other operational or working capital purposes. As of the date of these financial statements, the Company has received approximately \$1.9 million from the Investor pursuant to the Second Loan Agreement.
- (v) The major shareholder has given its undertaking to provide additional financing to the Group as and when the latter requires.
- (vi) The Group would generate sufficient cash flows in the next 12 months to enable it to continue as a going concern.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### Basis of preparation

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Adoption of new and revised standards

On 1 February 2021, the Group adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("SFRS(I) INT") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT. The adoption of these new or amended SFRS(I) and SFRS(I) INT did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

### Standards issued but not yet effective

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

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to SFRS(I) 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to SFRS(I) 1-16: <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37: <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
- Amendments to SFRS(I) 1: <i>First-time Adoption of SFRS(I)</i>	
- Amendments to SFRS(I) 9: <i>Financial Instruments</i>	
- Amendments to Illustrative Examples accompanying SFRS(I) 16: <i>Leases</i>	
- Amendments to SFRS(I) 1-41: <i>Agriculture</i>	
Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-Current</i>	1 January 2023
SFRS (I) 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendment to SFRS(I) 17: <i>Initial Application of SFRS(I) 17 and SFRS(I) 9 - Comparative Information</i>	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

The directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Group accounting

#### (i) Subsidiaries

##### (a) Basis of consolidation

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

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

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Group accounting (Continued)

#### (i) Subsidiaries (Continued)

##### (a) *Basis of consolidation (Continued)*

#### Changes in the Group's ownership interests in existing subsidiaries

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

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

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

##### (b) *Acquisition of businesses*

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Group accounting (Continued)

#### (i) Subsidiaries (Continued)

##### (b) Acquisition of businesses (Continued)

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

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 Income Taxes and SFRS(I) 1-19 Employee Benefits respectively;
- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 Share-based Payment at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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

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

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

##### (c) Disposals of subsidiaries or businesses

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Group accounting (Continued)

#### (ii) Transactions with non-controlling interests

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

### Subsidiaries

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

### Currency translation

#### (i) Functional and presentation currency

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

#### (ii) Transactions and balances

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Currency translation (Continued)

#### (iii) Translation of the Group's financial statements

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

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

### Plant and equipment

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

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

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

	<u>Useful lives</u> <u>(Years)</u>
Plant and machinery, furniture and vehicles	3 to 10 years

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

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on retirement or disposal is determined as the difference between any sales proceeds and the carrying amounts of the asset and is recognised in the profit or loss within other income / (expenses) and the asset revaluation reserve related to those assets, if any, is transferred directly to retained earnings.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Impairment of non-financial assets

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

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

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

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

### Financial assets and liabilities

#### (i) Initial recognition and measurement

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Financial assets and liabilities (Continued)

#### (ii) Classification and subsequent measurement

##### Financial assets

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

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

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

##### *Financial assets at amortised costs*

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

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

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

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

##### Financial liabilities

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Financial assets and liabilities (Continued)

#### (iii) Derecognition

##### Financial assets

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

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

##### Financial liabilities

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

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

#### (iv) Offsetting

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

### Impairment of financial assets

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Impairment of financial assets (Continued)

#### *Simplified approach*

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

#### *General approach*

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

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

#### Significant increase in credit risk (Stage 2)

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

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

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

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

#### Definition of default

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Impairment of financial assets (Continued)

#### Credit-impaired (Stage 3)

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

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

#### Write-off policy

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

### 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 weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

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

### Leases

The Group assess whether a contract is or contains a lease, at inception of the contract. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

#### **As lessee**

At the lease commencement date, the Group recognises a Right-of-Use (ROU) asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and low-value leases as described below.

#### ROU asset

ROU assets are initially measured at cost, which comprise initial amount of lease liability, any lease payment made at or before commencement date, plus initial direct costs incurred, less lease incentives received. Initial direct costs are costs that would not have been incurred if the lease had not been obtained.

Whenever the Group incurs obligations for costs to dismantle and remove a leased asset, restore the site or the underlying asset to the condition required by the terms and conditions of the lease contract, a provision is recognised and measured under SFRS(I) 1-37; and included in the carrying amount of the ROU assets to the extent that the costs relate to a ROU asset.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Leases (Continued)

#### As lessee (Continued)

##### ROU asset (Continued)

ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from commencement date to the earlier of end of lease terms and useful life of the ROU assets. In addition, the ROU assets are also adjusted for certain remeasurement of lease liability.

ROU assets are presented as a separate line item on the statement of financial position.

##### Lease liability

Lease liability is initially measured at the present value of lease payments discounted using interest rate implicit in the lease, or if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the incremental borrowing rate as the discount rate, which is estimated by reference to interest rates from various external financing sources for similar terms such as lease terms, type of assets leases and economic environment.

The following lease payments are included in the measurement of lease liability:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease liability is measured at amortised cost using effective interest method. Remeasurement of lease liability (and corresponding adjustment to ROU asset, or to profit or loss when the ROU asset has been reduced to zero) is required when there is:

- a change in future lease payments arising from changes in an index or rate, in which case the initial discount rate is used;
- a change in the Group's assessment of whether it will exercise an extension or termination option, in which case a revised discount rate is used; or
- modification in the scope or the consideration of the lease that was not part of the original term and not accounted for as separate lease, in which case a revised discount rate at effective date of modification is used.

The Group presents the lease liabilities as a separate line item on the statement of financial position.

##### Exemption / exclusion

The Group has elected not to recognise ROU asset and lease liabilities for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For such leases, the Group recognises the lease payments in profit or loss as an operating expense on a straight-line basis over the lease term.

##### Covid-19 Rent concessions

The Group has applied the practical expedients under *Amendments to SFRS(I) 16: Covid-19-Related Rent Concessions* and hence is not required to assess whether eligible rent concessions that are direct consequence of the Covid-19 are lease modifications. The Group applies the practical expedient to all property leases and recognise the effect in profit or loss as other income. For rent concessions in other leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assess whether there is a lease modification.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Provisions

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

### Borrowings

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

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

### Share capital

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

### Revenue from contracts with customers

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

#### Sale of health foods and supplements and consignment income

Revenue from sale of health foods and supplements and consignment income is recognised at a point in time when the goods are delivered to the customer. When the Group acts in the capacity of an agent rather than a principal in the sale of goods to customers, the revenue recognised is the net amount of commission which is calculated by applying a fixed percentage on the sale of consignment goods.

The Group operates a loyalty programme where retail customers accumulate points for purchases made and such points can be converted to cash discount which can be used on subsequent purchases. Revenue from the award points is recognised when the points are converted into cash discount and applied on subsequent purchases or when points expired.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Revenue from contracts with customers (Continued)

#### Sale of health foods and supplements and consignment income (Continued)

The points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point based on the discount granted when the points are redeemed and on the likelihood of redemption. Likelihood of redemption is estimated using the past experience and redemption forecasts. The stand-alone selling price of the product sold is estimated on the basis of the retail price.

A contract liability is recognised until the points are redeemed or expired 12 months after the initial sale.

#### Interest income

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

### Employee benefits

#### (i) Short-term employee benefits

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

#### (ii) Retirement benefits

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

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

#### (iii) Employee leave entitlement

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

### Income tax

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

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Income tax (Continued)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

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

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

### Government grants

Government grants are recognised at their fair value when there is reasonable assurance that the grant will be received and that the Group will comply with all the attached conditions. When the grant relates to expenses, it is recognised in profit or loss as other income on a systematic basis in the periods in which the related costs, for which it intended to compensate, are recognised as expenses, unless the conditions are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

### Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:
  - (i) Has control or joint control over the Company;
  - (ii) Has significant influence over the Company; or
  - (iii) Is a member of the key management personnel of the Group or the Company or of a parent of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Related parties (Continued)

- (b) An entity is related to the Group and the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

### Segment reporting

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

### Critical accounting estimates, assumptions and judgements

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

#### (i) Critical accounting estimates and assumptions

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

##### (a) Impairment of plant and equipment ("P&E") and right-of-use ("ROU") assets

The Group assesses at each reporting date whether there is an indication that its P&E and ROU assets may be impaired. Due to continuing losses incurred by the Group, management carried out an impairment assessment of its plant and machinery, furniture and vehicles using value-in-use basis to determine the recoverable amounts of these assets used in the Group's health food trade segment.

Further, management identified certain loss-making retail outlets ("Outlets") and carried out an impairment assessment of the ROU assets using value-in-use basis, taking into consideration of, among others, current and future market conditions, subsequent sales and cashflows generated by the Outlets, and projected sales for the remaining lease terms of the Outlets. The carrying amounts of the Group's P&E and ROU assets as at 31 January 2022 are disclosed in Notes 4 and 5 to the financial statements respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Critical accounting estimates, assumptions and judgements (Continued)

#### (i) Critical accounting estimates and assumptions (Continued)

##### (b) 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. The Company's carrying amount of the investment in subsidiaries, net of impairment losses, relates primarily to the investment in its principal subsidiary, Nature's Farm Pte. Ltd. ("NF"), held through William Jacks & Company (Singapore) Private Limited. During the financial year ended 31 January 2022, the Group engaged an independent valuer to perform an impairment assessment of its investment in NF, using the discounted cash flows method to estimate NF's recoverable amount (based on its value-in-use). Based on the independent valuation report, NF's value-in-use as at 31 January 2022 exceeded its carrying amount of \$900,000 and no impairment loss was recognised during the financial year. The carrying amount of investment in subsidiaries is disclosed in Note 6 to the financial statements.

##### (c) Determination of lease terms

For lease contracts with extension or termination options, management need to estimate the lease term which requires consideration of all facts and circumstances that creates an economic incentive to exercise an extension option or not to exercise termination options, including any expected changes in facts and circumstances from commencement date until the exercise date of the options. Extension options (or periods after termination options) are only included in lease terms if the Group is reasonably certain to exercise the extension options or not to exercise the termination options. If a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee, the above assessment will be reviewed. The Group's lease liabilities are disclosed in Note 11 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 4. PLANT AND EQUIPMENT

<b>Group</b>	<u>Plant and machinery, furniture and vehicles</u> \$'000
<b>Cost</b>	
As at 1 February 2020	2,901
Additions	6
Disposal / Written off	(670)
	<hr/>
As at 31 January 2021	2,237
	<hr/>
As at 1 February 2021	2,237
Additions	33
Disposal / Written off	(282)
	<hr/>
As at 31 January 2022	1,988
	<hr/>
<b>Accumulated depreciation</b>	
As at 1 February 2020	1,808
Depreciation charge for the year	206
Disposal / Written off	(293)
	<hr/>
As at 31 January 2021	1,721
	<hr/>
As at 1 February 2021	1,721
Depreciation charge for the year	102
Disposal / Written off	(74)
	<hr/>
As at 31 January 2022	1,749
	<hr/>
<b>Accumulated impairment loss</b>	
As at 1 February 2020	443
Disposal / Written off	(157)
	<hr/>
As at 31 January 2021	286
	<hr/>
As at 1 February 2021	286
Impairment loss (Note 5)	19
Disposal / Written off	(172)
	<hr/>
As at 31 January 2022	133
	<hr/>
<b>Net carrying amount</b>	
As at 31 January 2022	106
	<hr/>
As at 31 January 2021	230
	<hr/>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 5. RIGHT-OF-USE ASSETS

<b>Group</b>	<u>Office premise and retail outlets</u> \$'000
<b>Cost</b>	
As at 1 February 2020	6,073
Additions	28
Lease modifications	674
Early termination	(284)
Expiry	(558)
	<hr/>
As at 31 January 2021	5,933
	<hr/>
As at 1 February 2021	5,933
Lease modifications	1,745
Early termination	(674)
Expiry	(219)
	<hr/>
As at 31 January 2022	6,785
	<hr/>
<b>Accumulated depreciation and impairment loss</b>	
As at 1 February 2020	3,906
Charge for the year	1,488
Impairment loss	171
Early termination	(284)
Expiry	(558)
	<hr/>
As at 31 January 2021	4,723
	<hr/>
As at 1 February 2021	4,723
Charge for the year	1,209
Impairment loss	130
Early termination	(674)
Expiry	(219)
	<hr/>
As at 31 January 2022	5,169
	<hr/>
<b>Net carrying amount</b>	
As at 31 January 2022	1,616
	<hr/>
As at 31 January 2021	1,210
	<hr/>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 5. RIGHT-OF-USE ASSETS (Continued)

The Group leased several assets such as office premise and retail outlets. The average lease term is 2 years. There are no restrictions or covenants imposed by the lease contracts. The corresponding lease liabilities is disclosed in Note 11.

During the year, management identified certain loss-making retail outlets (“Outlets”) and carried out an impairment assessment of the right-of-use assets and related plant and equipment using value-in-use basis, taking into consideration of, among others, current and future market conditions, subsequent sales and cashflows generated by the Outlets, and projected sales for the remaining lease terms of the Outlets. In determining value-in-use, the Group prepared cash flows projections which were based on the following key assumptions:

	2022
Growth rate <sup>(1)</sup>	2% to 17%
Discount rate <sup>(2)</sup>	11%

<sup>(1)</sup> Growth rate is determined based on the historical sales trend and location for each outlet.

<sup>(2)</sup> Pre-tax discount rate applied to the pre-tax cash flow projections.

Consequently, management recognised impairment charge on right-of-use assets of \$130,000 and plant and equipment of \$19,000 (Note 4), based on the value-in-use of the Outlets (2021: \$171,000 full impairment of a loss-making outlet).

## 6. INVESTMENT IN SUBSIDIARIES

	Company	
	2022	2021
	\$'000	\$'000
Unquoted equity shares, at cost	32,156	33,802
Impairment loss	(31,256)	(32,902)
	900	900

Movement in impairment loss on investment in subsidiaries:

	Company	
	2022	2021
	\$'000	\$'000
At beginning of financial year	32,902	29,730
Charge for the year	-	3,172
Written off	(1,646)	-
At end of financial year	31,256	32,902

For the financial year ended 31 January 2022, the Group engaged an independent valuer to perform an impairment assessment of its investment in subsidiaries, which relates primarily to the investment in NF, to estimate NF's recoverable amount (based on its value-in-use).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 6. INVESTMENT IN SUBSIDIARIES (Continued)

In determining value-in-use, the Group prepared 5-year cash flows projections which were based on the following key assumptions:

	2022	2021
Sales growth rate <sup>(1)</sup>		
- Year 1	10.6%	2%
- Year 2 to 5	16.3% to 25.1%	2% to 8.3%
Gross profit margin <sup>(2)</sup>	55% to 58%	58%
Number of new retail outlets	3	3
Terminal growth rate <sup>(3)</sup>	2%	2%
Discount rate <sup>(4)</sup>	11%	12.5%

(1) Growth rate was estimated based on the total projected online and retail sales.

(2) Gross profit margin was budgeted based on the projected gross margin for the operations.

(3) Terminal growth rate is based on the inflationary expectations in Singapore.

(4) Pre-tax discount rate applied to the pre-tax cash flow projections.

Based on the independent valuation report, the recoverable amount of NF's value-in-use as at 31 January 2022 exceeded its carrying amount and, as such, no impairment loss was recognised (2021: \$3,172,000) during the financial year.

Details of the subsidiaries are as follows:

Name of companies	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest	
			2022	2021
			%	%
<b><u>Held by Company</u></b>				
William Jacks & Company (Singapore) Private Limited <sup>(i)</sup> ("WJ Singapore")	Dormant	Singapore	100	100
Nutra-Source Pte. Ltd. <sup>(i)</sup>	Dormant	Singapore	100	100
Jacks Overseas Limited <sup>(ii)</sup>	Dormant	Bahamas	100	100
Nature's Farm Retail Pte. Ltd. <sup>(iv)</sup>	Retail sale of health supplements	Singapore	100	-
William Jacks (Australia) Pty. Ltd. <sup>(v)</sup>	Dormant	Australia	-	100
<b><u>Held by WJ Singapore</u></b>				
Nature's Farm Pte. Ltd. <sup>(i)</sup>	Trading in health foods and	Singapore	100	100
Nature's Farm (Shanghai) Co. Ltd. <sup>(ii)</sup>	Dormant	People's Republic of China	100	100
<b><u>Held by Jacks Overseas Limited</u></b>				
Wismer Automation (Singapore) Private Limited <sup>(iii)</sup>	Dormant	Singapore	90	90

(i) Audited by Crowe Horwath First Trust LLP.

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

(iii) Wismer Automation (Singapore) Private Limited is dormant and has no material non-controlling interest to the Group.

(iv) Newly incorporated in Singapore on 25 January 2022.

(v) William Jacks (Australia) Pty. Ltd. was deregistered on 28 November 2021 and the investment cost of \$1,646 was written off during the year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 7. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Current:</u>				
Trade receivables	93	116	-	-
Other receivables				
- Rental deposits	155	314	-	-
- Deferred lease payments	15	22	-	-
- Prepayments	6	68	2	54
- Advances to former directors <sup>(1)</sup>	59	59	59	59
- Amount due from a subsidiary <sup>(2)</sup>	-	-	-	21
- Sundry receivables <sup>(3)</sup>	730	786	-	-
- Advance payment to suppliers	80	251	-	-
- Government grant receivables <sup>(4)</sup>	-	40	-	-
	1,045	1,540	61	134
Impairment loss allowance	(723)	(723)	-	-
	322	817	61	134
<u>Non-current:</u>				
- Rental deposits	232	245	-	-
- Deferred lease payments	12	11	-	-
	244	256	-	-

(1) Advances to former directors of \$59,000 (2021: \$59,000) refer to payments made by the former management to three former independent directors of the Company purportedly for their directors' fees in respect of the financial year ended 31 January 2020. The payment of such purported directors' fees is strictly subject to the approval of the shareholders of the Company at a general meeting under the Companies Act 1967 and the constitution of the Company. As the resolution in respect of the payment of such directors' fees was voted by the shareholders at the Annual General Meeting held on 31 December 2021, the Company is in the midst of seeking recovery of the sums paid-out from these former Independent Directors, as well as legal advice in connection with such recovery.

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

(3) Included in sundry receivables is an amount of \$324,000 (2021: \$324,000) relating to license fee receivables for which management had provided full impairment loss during financial year ended 31 January 2019.

(4) Government grant receivables are in respect of Jobs Support Scheme (JSS), details of which are disclosed in Note 17 to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 7. TRADE AND OTHER RECEIVABLES (Continued)

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

	Group	
	2022 \$'000	2021 \$'000
Not past due and not impaired	62	107
Past due but not impaired	31	9
	<u>93</u>	<u>116</u>
Aging of receivables that are past due but not impaired:		
- Less than 30 days	-	-
- 30 to 60 days	4	2
- 61 to 90 days	-	-
- More than 90 days	27	7
	<u>31</u>	<u>9</u>

The average credit period on sales of goods is 7 to 30 days (2021: 30 to 60 days). No interest is charged on overdue amounts. Allowances for impairment are recognised against trade receivables based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

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

The concentration of credit risk of the Group's receivables is disclosed in Note 25.

	Group	
	2022 \$'000	2021 \$'000
The table below is an analysis of the carrying amount of sundry receivables as at 31 January:		
Not past due and not impaired	<u>7</u>	<u>63</u>
<u>Impairment loss allowances on sundry receivables</u>		
Balance at beginning of year	(723)	(768)
Reversal of impairment loss during the year	-	45
	<u>(723)</u>	<u>(723)</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 7. TRADE AND OTHER RECEIVABLES (Continued)

Sundry receivables are non-interest bearing and are generally on 30 to 90 days (2021: 30 to 90 days) terms.

Deferred lease payment relates to rental of retail outlets and is initially recognised at fair value. The difference between the fair value and the actual amount paid is carried at the end of the reporting period as a deferred lease expense. The deferred lease expense is recognised as lease expense on a straight-line basis over the lease terms ranging from 1 to 3 years (2021: 1 to 3 years). Interest income is recognised over the lease terms on carrying amount of the deposit.

## 8. INVENTORIES

	Group	
	2022	2021
	\$'000	\$'000
Health foods and supplements:		
Raw materials	129	28
Finished goods	463	639
Goods in transit	26	53
	618	720

Inventories are stated after deducting allowance for inventory obsolescence

	3	33
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Analysis of allowance for inventory obsolescence:

	Group	
	2022	2021
	\$'000	\$'000
Balance at beginning of year	33	8
(Reversal) / Allowance during the year	(30)	25
	3	33
Inventories recognised as an expense in cost of sales	2,701	2,313
(Reversal) / Allowance during the year	(30)	25
Inventory written off	28	10

Allowance for inventories as at 31 January 2022 of \$3,000 (2021: \$33,000) has been estimated based on the expiry, historical and expected future sales of the health foods and supplements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 9. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Current</u>				
Trade payables <sup>(1) (3)</sup>	746	536	-	-
Other payables				
- Third parties <sup>(1)</sup>	1,138	1,017	467	329
- Amount due to subsidiaries <sup>(2)</sup>	-	-	181	-
- Accrued operating expenses <sup>(3)</sup>	670	790	229	285
- Deferred government grant income <sup>(4)</sup>	-	40	-	-
- Loan from ultimate holding company <sup>(5)</sup>	311	-	-	-
	<u>2,119</u>	<u>1,847</u>	<u>877</u>	<u>614</u>
<u>Non-current:</u>				
- Loan from Investor <sup>(6)</sup>	716	-	-	-

<sup>(1)</sup> Trade and other payables are non-interest bearing and are normally settled on 30 to 90 days (2021: 30 to 90 days) terms.

<sup>(2)</sup> Amount due to subsidiaries are non-trade, unsecured, non-interest bearing and repayable on demand.

<sup>(3)</sup> Included in trade payables and accrued operating expenses are balances owing to I-Nitra Consulting Limited ("I-Nitra") of US\$314,445, equivalent to \$425,000 (2021: US\$314,445, equivalent to \$428,000) and \$149,000 (2021: \$149,000) respectively. The outstanding balance is attributable to the purchase of some honey products from I-Nitra that were previously sold by NF to another party as well as amounts due to I-Nitra pursuant to consignment arrangements between I-Nitra (as consignor) and NF (as consignee) upon the sale of the consigned goods by the latter. The purchase transactions and consignment arrangements ostensibly took place during 2019 on the previous management's watch and were subject matter of investigation by the special auditors pursuant to a notice of compliance issued by the Singapore Exchange Regulation in March 2019 (see Note 2(a)). While these transactions involving I-Nitra were at first blush redolent of round-tripping, the special auditors had emphatically concluded that they "did not find any conclusive evidence of round-tripping". Accordingly, and out of accounting prudence, the incumbent management has not derecognised the liability as at 31 January 2022 and 2021.

<sup>(4)</sup> Deferred government grant income is in respect of Jobs Support Scheme (JSS), details of which are disclosed in Note 17.

<sup>(5)</sup> Loan from ultimate holding company is unsecured, bears interest at 5% per annum and is repayable in November 2022.

<sup>(6)</sup> Loan from Investor is unsecured, bears interest at 12% per annum and is repayable in December 2023.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 10. INTEREST-BEARING LOANS AND BORROWINGS

	Group	
	2022 \$'000	2021 \$'000
Current:		
Term loans	864	1,300

As at 31 January 2022, the Group has an outstanding bank loan of \$864,000 (2021: \$1,300,000) bearing interest rates between 1.56% and 2.71% (2021: 1.56% and 2.71%) per annum. These borrowings are supported by corporate guarantee provided by the Company and a subsidiary of the Company. In view of a breach of certain financial covenants and default in repayment at the reporting date, the entire outstanding balance of the bank loan had been classified as current liabilities in accordance with the requirements of SFRS(I) 1-1 *Presentation of Financial Statements*.

By a letter of demand dated 27 August 2019, the bank demanded repayment of the outstanding bank borrowings (including accrued interest thereon and other charges) owing by the Group. During the year, the Group fully repaid one of the outstanding bank loans amounting to \$316,000 by September 2021 and managed to seek the agreement of the bank to restructure the repayment of the remaining balance. As at the date of these financial statements, the Group still owes the bank a remaining balance of approximately \$702,000 and is in the process of formalising the repayment plan with the bank for the remaining indebtedness.

### Reconciliation of liabilities arising from financing activities

Group	As at 1 February 2021 \$'000	Financing cash flows \$'000	Non-cash changes			As at 31 January 2022 \$'000
			Increase arising from lease modifications \$'000	Rent concessions and rebate (Note 17) \$'000	Accretion of interests (Note 18) \$'000	
Loans and borrowings	1,300	(436)	-	-	-	864
Lease liabilities (Note 11)	2,186	(1,463)	1,495	(345)	141	2,014
Loan from ultimate holding company (Note 9)	-	300	-	-	11	311
Loan from Investor (Note 9)	-	700	-	-	16	716
	3,486	(899)	1,495	(345)	168	3,905

Group	As at 1 February 2020 \$'000	Financing cash flows \$'000	New lease \$'000	Non-cash changes			As at 31 January 2021 \$'000
				Increase arising from lease modifications \$'000	Rent concessions and rebate (Note 17) \$'000	Accretion of interests (Note 18) \$'000	
Loans and borrowings	1,661	(361)	-	-	-	-	1,300
Lease liabilities (Note 11)	3,801	(1,661)	28	666	(825)	177	2,186
	5,462	(2,022)	28	666	(825)	177	3,486

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 11. LEASE LIABILITIES

	Group	
	2022 \$'000	2021 \$'000
Current liabilities:		
Lease liabilities	1,126	1,514
Non-current liabilities:		
Lease liabilities	888	672
Total lease liabilities	<u>2,014</u>	<u>2,186</u>

The total cash outflows for the year for all lease contracts by the Group amounted to \$1,549,000 (2021: \$1,699,000), which includes lease expenses not included in lease liabilities, as disclosed in Note 19.

## 12. PROVISIONS

Group	Provision for employee entitlement (current)	Provision for reinstatement costs (non-current)	Total
	\$'000	\$'000	\$'000
<b>2022</b>			
At beginning of year	12	203	215
Provision for the year	33	-	33
Utilisation during the year	-	(30)	(30)
Reversal during the year	-	(8)	(8)
At end of year	<u>45</u>	<u>165</u>	<u>210</u>
<b>2021</b>			
At beginning of year	12	228	240
Provision for the year	-	18	18
Utilisation during the year	-	(11)	(11)
Reversal during the year	-	(32)	(32)
At end of year	<u>12</u>	<u>203</u>	<u>215</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 13. DEFERRED TAX

Deferred tax as at 31 January relates to the following:

Deferred tax (liabilities) / assets of the Group	Revaluation of building	Unused tax losses and capital allowance	Difference between tax and accounting	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2022</b>					
At beginning of year	-	28	(94)	46	(20)
Charge to profit or loss	-	(28)	94	(46)	20
At end of year	-	-	-	-	-
<b>2021</b>					
At beginning of year	(13)	28	(94)	46	(33)
Charge to profit or loss	13	-	-	-	13
At end of year	-	28	(94)	46	(20)
<b>Group</b>					
	Assets		Liabilities		
	2022	2021	2022	2021	
	\$'000	\$'000	\$'000	\$'000	
Deferred tax balance	-	-	-	(20)	

As at the end of the financial year, the Group's subsidiaries have tax losses and capital allowance of approximately \$4,666,000 (2021: \$3,851,000) that are available for offset against future taxable profits of the companies in which the losses and offsets arose. No deferred tax asset has been recognised in respect of \$4,666,000 (2021: \$3,851,000) due to the uncertainty of its realisation. The use of these tax losses and tax offsets is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

## 14. SHARE CAPITAL

Group and Company	2022		2021	
	Number of ordinary shares (in thousands)	\$'000	Number of ordinary shares (in thousands)	\$'000
<b>Issued and fully paid:</b>				
At beginning and end of the year	30,000	14,250	30,000	14,250

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 15. RESERVES

### Foreign currency translation deficit

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

## 16. REVENUE FROM CONTRACTS WITH CUSTOMERS

### (i) Disaggregation of revenue from contracts with customers

The Company derives revenue from contracts with customers through the transfer of goods at a point in time and these pertain to retail revenue derived in Singapore.

	Group	
	2022	2021
	\$'000	\$'000
Sales of health foods and supplements	5,412	5,585
Consignment income	118	105
	<u>5,530</u>	<u>5,690</u>

### (ii) Contract liabilities

Information about contract liabilities from contracts with customers disclosed as below:

	Group	
	2022	2021
	\$'000	\$'000
Customer loyalty programme – unredeemed loyalty points	<u>177</u>	<u>-</u>

Contract liabilities pertain to redeemable points accorded to customers from their purchases with the Group under the Group's customer loyalty programme. As at 31 January 2022, the estimated amount for unredeemed loyalty points amounted to \$177,000.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 17. OTHER INCOME

	Group	
	2022 \$'000	2021 \$'000
Government grants <sup>(i)</sup>	98	361
Gain on disposal of plant and equipment	-	17
Gain on lease modification	250	-
Product display fee	74	40
Rent concessions and rebate <sup>(ii)</sup>	345	825
Reversal for inventory obsolescence	30	-
Interest income	-	7
Others	91	34
	888	1,284

(i) Included in government grant income is the amount of \$63,000 (2021: \$304,000) relating to Job Support Scheme (JSS) introduced in Singapore Budget 2021 for retention of local employees which represents cash grants for gross monthly wages of eligible employees.

(ii) This pertains to the Covid-19 related rent concessions and rebates received from lessors and Singapore government of \$21,000 and \$324,000 (2021: \$825,000 and \$nil) respectively, to which the Group applied the practical expedient as disclosed in Note 3.

## 18. FINANCE COSTS

	Group	
	2022 \$'000	2021 \$'000
Interest expenses:		
- Lease liabilities (Note 11)	141	177
- Amount due to ultimate holding company	11	-
- Amount due to investor	16	-
	168	177
Late payment fee	41	60
	209	237



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 19. LOSS BEFORE TAX

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

	Group	
	2022	2021
	\$'000	\$'000
Audit fees paid to:		
- Auditors of the Company	130	70
- Other auditors of the Company	109	198
Non-audit fees paid to auditors of the Company	10	11
Employee benefits expense:		
- Salaries and bonuses	1,499	1,462
- Central Provident Fund contributions	205	150
Lease expenses not included in lease liabilities:		
- Variable lease expenses	86	38
Prepaid expenses written off	-	94
Foreign exchange (gain) / loss, net	(14)	17
(Reversal) / Allowance for inventory obsolescence (Note 8)	(30)	25
Inventory written off (Note 8)	28	10
Depreciation for plant and equipment (Note 4)	102	206
Depreciation for right-of-use assets (Note 5)	1,209	1,488
Impairment loss on plant and equipment (Note 4)	19	-
Impairment loss on right-of-use assets (Note 5)	130	171
Plant and equipment written off	36	202

## 20. INCOME TAX EXPENSE

Major components of income tax expense for the year ended 31 January were:

	Group	
	2022	2021
Deferred tax (Note 13)		
- Current year	20	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 20. INCOME TAX EXPENSE (Continued)

The reconciliation of the tax expense and the product of accounting loss multiplied by the applicable rate is as follows:

	Group	
	2022 \$'000	2021 \$'000
Loss before tax	(1,349)	(829)
Tax using the Singapore tax rate of 17% (2021: 17%)	(229)	(141)
Tax effect of		
- Different tax rates of subsidiaries operating in other jurisdictions	-	2
- Non-deductible expenses	123	221
- Income not subject to tax	(12)	(52)
- Utilisation of previously unrecognised deferred tax assets	-	(30)
- Deferred tax assets not recognised	138	-
	<u>20</u>	<u>-</u>

Domestic income tax is calculated at 17% (2021: 17%) of the estimated assessable loss for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

## 21. EARNINGS PER SHARE

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

	Group	
	2022	2021
Loss attributable to equity holders of the Company (\$'000)	(1,328)	(828)
Number of shares ('000)	30,000	30,000
Basic loss per share (cents)	(4.43)	(2.76)

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 22. CASH AND BANK BALANCES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash at banks	469	730	-	51
Cash in hand	5	5	-	-
	<u>474</u>	<u>735</u>	<u>-</u>	<u>51</u>

Cash and bank balances of the Group and the Company are placed with financial institutions and earn interest that was insignificant.

## 23. HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

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

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

## 24. 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.

	Group	
	2022 \$'000	2021 \$'000
Loan from ultimate holding company	300	-
Interest on loan from ultimate holding company	11	-
	<u>311</u>	<u>-</u>
<u>Compensation of key management personnel</u>		
- Short-term employee benefits	236	167
	<u>236</u>	<u>167</u>
Comprise amounts paid to:		
- Directors of a subsidiary	167	167
- Other key management personnel	69	-
	<u>236</u>	<u>167</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 25. FINANCIAL INSTRUMENTS

### Financial risk management objectives and policies

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

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks. The Group and the Company do not apply hedge accounting.

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

#### (i) Market risk

##### (a) Foreign exchange risk

The Group transacts business in various foreign currencies. The currencies that give rise to this risk are primarily United States dollar ("USD") and New Zealand dollar ("NZD").

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

Group	USD	NZD
	\$'000	\$'000
<b>2022</b>		
Financial assets	23	23
Financial liabilities	549	112
<b>2021</b>		
Financial assets	195	15
Financial liabilities	435	41

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 25. FINANCIAL INSTRUMENTS (Continued)

### Financial risk management objectives and policies (Continued)

#### (i) Market risk (Continued)

##### (a) Foreign exchange risk (Continued)

##### *Sensitivity analysis for foreign currency risk*

The following table demonstrates the sensitivity to a 5% (2021: 5%) increase and decrease in the foreign currencies against the Singapore dollars. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

If the relevant foreign currency strengthens by 5% (2021: 5%) against the Singapore dollars, loss before tax will increase by:

	Group	
	2022 \$'000	2021 \$'000
United States dollar	26	12
New Zealand dollar	4	1

##### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their interest-bearing loans and borrowings. The Group obtains additional financing through term loan from banks and leasing arrangements. The Group's policy is to obtain the most favourable interest rates available. Information relating to the Group's interest rate exposure is also disclosed in the notes on the Group's interest-bearing loans and borrowings, and lease liabilities (Notes 10 and 11).

##### (c) Interest rate sensitivity

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

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's loss for the year ended 31 January 2022 would increase or decrease by \$10,818 (2021: \$7,672). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 25. FINANCIAL INSTRUMENTS (Continued)

### Financial risk management objectives and policies (Continued)

#### (ii) Liquidity risk

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

As of 31 January 2022, the Group's current liabilities exceed its current assets by \$3,531,000 (2021: \$2,821,000). The Group's current liabilities are mainly due to rental in arrears and accrual of operating expenses. In the management of liquidity risk, the Group monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows as a whole. The Company's liquidity risk is mitigated as management has the control over the timing and repayment of these financial liabilities arising from amounts due to wholly owned subsidiaries.

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

Group	Weighted	On demand or	Later than	Adjustment	Total
	average effective	not later than	1 year and not		
	interest rate	1 year	later than		
	%	\$'000	5 years	\$'000	\$'000
<b>2022</b>					
<i>Financial liabilities</i>					
Trade and other payables		2,554	-	-	2,554
Interest-bearing loans and borrowings	1.56 to 2.71	886	-	(22)	864
Lease liabilities	5.25	1,202	920	(108)	2,014
Loan from ultimate holding company	5.00	326	-	(15)	311
Loan from Investor	12.00	-	802	(86)	716
		<u>4,968</u>	<u>1,722</u>	<u>(231)</u>	<u>6,459</u>
<b>2021</b>					
<i>Financial liabilities</i>					
Trade and other payables		2,343	-	-	2,343
Interest-bearing loans and borrowings	1.56 to 2.71	1,332	-	(32)	1,300
Lease liabilities	5.25	1,587	688	(89)	2,186
		<u>5,262</u>	<u>688</u>	<u>(121)</u>	<u>5,829</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 25. FINANCIAL INSTRUMENTS (Continued)

### Financial risk management objectives and policies (Continued)

#### (ii) Liquidity risk (Continued)

Company	On demand or not later than 1 year \$'000	Later than 1 year and not later than 5 years \$'000	Later than 5 years \$'000	Adjustment \$'000	Total \$'000
<b>2022</b>					
<i>Financial liabilities</i>					
Other payables, representing total financial liabilities	877	-	-	-	877
<b>2021</b>					
<i>Financial liabilities</i>					
Other payables, representing total financial liabilities	614	-	-	-	614

#### (iii) Credit risk

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

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.

Of the receivables balance at the end of the year, \$17,200 (2021: \$2,000) is due from the Group's largest customer. There are no other customers who represent more than 5% of the total balance of the receivables.

#### Expected Credit Losses

The Group manages credit loss based on Expected Credit losses (ECL) model.

#### (a) Trade and receivables

The Group's exposure to credit risk from trade receivables are linked to the individual characteristics of each customer, and also influenced by the default risk specific to the industry or country brought about by the general economic condition. The Group's ECL assessment is based on historical credit loss experience, adjusted for forward-looking factors specific to those customers and the economic environment. The allowance on trade receivables was assessed to be immaterial by the management.

The Group assessed that other receivables are not credit-impaired, based on the definition of default, which is the borrower is unlikely to pay its credit obligation in full, without recourse by the Group. The movement of the ECL allowance on other receivables was disclosed in Note 7.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 25. FINANCIAL INSTRUMENTS (Continued)

### Financial risk management objectives and policies (Continued)

#### (iii) Credit risk (Continued)

##### Expected Credit Losses (Continued)

#### (b) Cash and bank balances

The Group's bank balances are deposited with reputable financial institutions with high credit-ratings assigned by international credit-rating agencies. Impairment on cash and bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and bank balances was assessed to be immaterial by management.

##### 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 Carrying amount	\$'000		Percentage of total	
	2022 \$'000	2021 \$'000	2022 %	2021 %
<u>By geographical areas</u>				
- Singapore	93	116	100	100

#### (iv) Financial instruments by category

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

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial assets at amortised cost	1,020	1,572	59	131
Financial liabilities at amortised cost	6,459	5,829	877	614

#### Capital risk management policies and objectives

The primary objective of the Group's capital risk management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 25. FINANCIAL INSTRUMENTS (Continued)

### Capital risk management policies and objectives (Continued)

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes since the prior year.

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.

	Note	2022 \$'000	2021 \$'000
Trade and other payables	9	2,865	2,343
Loan from Investor	9	716	-
Interest-bearing loans and borrowings	10	864	1,300
Lease liabilities	11	2,014	2,186
Less: cash and bank balances	22	(474)	(735)
Net debt		5,985	5,094
Equity attributable to owners of the Company		(3,331)	(2,018)
Total capital		2,654	3,076
Gearing ratio (Net debt / Total capital)		2.3	1.7

## 26. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

## 27. SEGMENT INFORMATION

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

- 1) The Health Food Trade segment provides distributions and trading in health foods and supplements.
- 2) The Corporate and others segment includes general corporate income and expense items.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 27. SEGMENT INFORMATION (Continued)

	Health Food Trade		Corporate		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Revenue:						
External customers	5,530	5,690	-	-	5,530	5,690
<b>Segment loss</b>	<b>(891)</b>	<b>(309)</b>	<b>(458)</b>	<b>(520)</b>	<b>(1,349)</b>	<b>(829)</b>
Other information:						
Depreciation of plant and equipment	102	206	-	-	102	206
Depreciation for right-of-use assets	1,209	1,488	-	-	1,209	1,488
Plant and equipment written off	36	202	-	-	36	202
Prepaid expenses written off	-	40	-	54	-	94
Impairment loss on plant and equipment	19	-	-	-	19	-
Impairment loss on right-of-use assets (Reversal) / Allowance for inventory	130	171	-	-	130	171
obsolescence	(30)	25	-	-	(30)	25
Inventories written off	28	10	-	-	28	10
Interest expenses	168	177	-	-	168	177
Reversal of impairment loss on financial assets	-	(20)	-	-	-	(20)
Interest income	-	(7)	-	-	-	(7)
Assets:						
Additions to plant and equipment	33	6	-	-	33	6
Lease modifications to right-of-use assets	1,745	674	-	-	1,745	674
Additions to right-of-use assets	-	28	-	-	-	28
Segment assets	3,399	3,861	113	223	3,512	4,084
Segment liabilities	4,988	4,315	1,858	1,789	6,846	6,104

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2022

## 27. SEGMENT INFORMATION (Continued)

### Geographical information

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

	Revenue		Non-current assets	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Singapore	5,530	5,681	1,966	1,696
Others	-	9	-	-
	<u>5,530</u>	<u>5,690</u>	<u>1,966</u>	<u>1,696</u>

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

### Information about major customers

Included in revenue arising from sales of health foods and supplements are revenues of approximately \$40,000 (2021: \$229,000) which arose from sales to the Group's largest customer. There were no customers which contribute 10% or more to the Group's revenue. There were no inter-segment sales in the year.

# ANALYSIS OF SHAREHOLDINGS

As at 15 August 2022

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

## DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	33	10.75	499	0.00
100 - 1,000	171	55.70	118,218	0.39
1,001 - 10,000	76	24.76	248,200	0.83
10,001 - 1,000,000	25	8.14	3,383,656	11.28
1,000,000 and above	2	0.65	26,249,420	87.50
<b>Total</b>	<b>307</b>	<b>100.00</b>	<b>29,999,993</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

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

# ANALYSIS OF SHAREHOLDINGS

As at 15 August 2022

## PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

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

## SUBSTANTIAL SHAREHOLDERS

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

Note:

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

# NOTICE OF ANNUAL GENERAL MEETING

## CAMSING HEALTHCARE LIMITED

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

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“**AGM**”) of the shareholders of Camsing Healthcare Limited (“**Company**”) will be held by way of electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS) at 10.00 am on 7 September 2022 to transact the following business:

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

### AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 January 2022 together with the Directors’ Statement and Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect Ms. Liu Hui who is retiring under Articles 90 and 91 of the Constitution, as Director of the Company. *[See Explanatory Notes (i)]* **(Resolution 2)**
3. To re-elect Mr Tan Keng Keat (Chen Qingjie) who is retiring under Article 96 of the Constitution, as Director of the Company. *[See Explanatory Notes (ii)]* **(Resolution 3)**
4. To re-appoint Messrs. Crowe Horwath First Trust LLP as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 4)**
5. To transact any other ordinary business which may be properly transacted at an annual general meeting.

### AS SPECIAL BUSINESS

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

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

That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

# NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new shares arising from the conversion or exercise of any convertible securities;
  - (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

*[See Explanatory Notes (iii)]*

**(Resolution 5)**

## By Order of the Board

Lim Kok Meng  
Company Secretary

23 August 2022

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

- (i) Ms. Liu Hui will, upon re-election as a Director of the Company pursuant to Ordinary Resolution 2 in item 2 above, remain as the Executive Director of the Company.
- (ii) Mr. Tan Keng Keat (Chen Qingjie) will, upon re-election as a Director of the Company pursuant to Ordinary Resolution 3 in item 3 above, remain as Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. He will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
- (iii) Ordinary Resolution 5 in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

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

## Notes:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “Order”).
2. Pursuant to the Order, the Company will implement alternative arrangements relating to attendance at the AGM by electronic means. Members will not be able to attend the AGM in person. Members will be able to watch the proceedings of the AGM through a “live” webcast via their mobile phones, tablets or computers or listen to these proceedings through a “live” audio feed via telephone. In order to do so, members who wish to watch the “live” webcast or listen to the “live” audio feed must pre-register by 10.00 am on 30 August 2022 at the pre-registration website at the URL: <https://globalmeeting.bigbangdesign.co/ch2022/>. Following authentication of their status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the AGM by 4.00 pm on 31 August 2022. Members who do not receive an email by 4.00 pm on 31 August 2022, but have registered by 10.00 am on 30 August 2022 should contact the Company’s webcast vendor via email at [webcast@bigbangdesign.co](mailto:webcast@bigbangdesign.co).

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

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

All questions must be submitted by 11.59 pm on 30 August 2022.

The Company will address substantial questions relevant to the resolutions to be tabled for approval at the AGM as received from Shareholders by way of an announcement released on SGXNet by 10.00 am on 3 September 2022. The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNet.

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



# NOTICE OF ANNUAL GENERAL MEETING

6. The instrument appointing the Chairman of the AGM as proxy must:
  - (a) if sent personally or by post, be received at the registered office of the Company at 24 Raffles Place, #20-03 Clifford Centre, Singapore 048621; or
  - (b) if submitted by email, be received by the Company, by email at [enquiry.camsing@naturesfarm.com](mailto:enquiry.camsing@naturesfarm.com),in either case no later than 10.00 am on 5 September 2022, and in default the instrument of proxy shall not be treated as valid. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
7. The Annual Report has been made available on SGXNet and may be accessed at <https://www.sgx.com/securities/company-announcements>.
8. The instrument appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
9. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the instrument of proxy, failing which the instrument may be treated as invalid.
10. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).
11. In the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

## Important Reminders

As the COVID-19 situation is still evolving, the Company reserves the right to take such further precautionary measures as may be appropriate up to the date of the AGM, including any precautionary measures required or recommended by the government or any regulatory bodies or government agencies from time to time, in order to curb the spread of COVID-19.

Accordingly, the Company may be required to change its AGM arrangements at short notice in accordance with any precautionary measures required or recommended by the government or any regulatory bodies or government agencies from time to time. Shareholders are advised to closely monitor announcements made by the Company on SGXNET.

## Personal data privacy:

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

- (i) processing, administration and analysis by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as proxy for the AGM (including any adjournment thereof);
- (ii) processing of the pre-registration for purposes of granting access to members to the "live" webcast or "live" audio feed of the AGM proceedings and providing them with any technical assistance where necessary;
- (iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;
- (iv) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

## ADDITIONAL INFORMATION ON DIRECTORS PROPOSED FOR RE-ELECTION

Ms. Liu Hui, who is retiring pursuant to Articles 90 and 91 of the Company's Constitution and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and Mr. Tan Keng Keat (Chen Qingjie), who is retiring pursuant to Article 96 of the Company's Constitution, will be seeking re-election at the forthcoming annual general meeting ("AGM") of the Company scheduled to be held by way of electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS) at 10.00 a.m. on 7 September 2022 under Resolutions 2 and 3 as set out in the Notice of AGM dated 23 August 2022.

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

Name of Director	Ms. Liu Hui	Mr. Tan Keng Keat (Chen Qingjie)
Date of Appointment	19 November 2015	25 July 2022
Date of last re-appointment (if applicable)	4 March 2022	Not applicable
Age	52	46
Country of principal residence	China	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Not applicable	Not applicable
Whether appointment is executive, and if so, the area of responsibility	Executive  Ms. Liu Hui is responsible for developing and directing organizational strategy as well as overseeing day-to-day business and corporate activities.	Independent and non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> <li>Executive Director</li> <li>Member of the Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li>Independent, Non-Executive Director</li> <li>Chairman of the Remuneration Committee, Member of the Audit Committee and Nominating Committee</li> </ul>
Professional Qualifications	EMBA Degree, HEC Business School	<u>July 1997 to June 2000</u> <ul style="list-style-type: none"> <li>Bachelor of Accountancy (Honours), Nanyang Technological University</li> </ul> <u>January 2004 to present</u> <ul style="list-style-type: none"> <li>Chartered Accountant, Institute of Singapore Chartered Accountants</li> </ul>

## ADDITIONAL INFORMATION ON DIRECTORS PROPOSED FOR RE-ELECTION

Name of Director	Ms. Liu Hui	Mr. Tan Keng Keat (Chen Qingjie)
Working experience and occupation(s) during the past 10 years	<p><u>May 2020 to Present</u></p> <ul style="list-style-type: none"> <li>• Beijing Zhiheng Internet Technology Private Limited Company – Deputy General Manager</li> </ul> <p><u>January 2016 to September 2021</u></p> <ul style="list-style-type: none"> <li>• Camsing International Holding Limited (MH Development Limited) – Executive Director</li> </ul> <p><u>2012 to 2018</u></p> <ul style="list-style-type: none"> <li>• Camsing Global Group – Vice President</li> </ul>	<p><u>2021 to present</u></p> <ul style="list-style-type: none"> <li>• Executive Director, Imperium Crown Limited (listed on the Catalist of the Singapore Exchange)</li> </ul> <p><u>2016 to present</u></p> <ul style="list-style-type: none"> <li>• Chief Financial Officer, Imperium Crown Limited listed on the Catalist of the Singapore Exchange)</li> </ul> <p><u>2014 to 2016</u></p> <ul style="list-style-type: none"> <li>• Director, Ethania Pte Ltd</li> </ul> <p><u>2013 to 2014</u></p> <ul style="list-style-type: none"> <li>• Chief Financial Officer, Aquaint Capital Holdings Limited (previously listed on the Australia Securities Exchange)</li> </ul> <p><u>2010 to 2013</u></p> <ul style="list-style-type: none"> <li>• Group Financial Controller and Company Secretary, Capital Drilling Limited (listed on the Main Market of the London Stock Exchange)</li> </ul>
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
<b>Other Principal Commitments Including Directorships</b>		
Past (for the last 5 years)	<p><u>Directorships</u></p> <ul style="list-style-type: none"> <li>• Camsing International Holding Limited (MH Development Limited)</li> </ul>	Nil
Present	<p><u>Directorships</u></p> <ul style="list-style-type: none"> <li>• Camsing Healthcare Limited</li> </ul>	<p><u>Directorships</u></p> <ul style="list-style-type: none"> <li>• Camsing Healthcare Limited</li> <li>• Imperium Crown Limited</li> </ul>

# ADDITIONAL INFORMATION ON DIRECTORS PROPOSED FOR RE-ELECTION

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

## ADDITIONAL INFORMATION ON DIRECTORS PROPOSED FOR RE-ELECTION

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

## ADDITIONAL INFORMATION ON DIRECTORS PROPOSED FOR RE-ELECTION

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

# CAMSING HEALTHCARE LIMITED

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

## PROXY FORM

### Annual General Meeting

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

#### IMPORTANT

- Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company will implement alternative arrangements relating to attendance at the AGM by electronic means. The Members will not be able to attend the AGM in person. Members will be able to watch the proceedings of the AGM through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, members who wish to watch the "live" webcast or listen to the "live" audio feed must pre-register by 10.00 am on 30 August 2022, at <https://globalmeeting.bigbangdesign.co/ch2022/>. Following authentication of their status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the AGM by 4.00pm on 31 August 2022. Members who do not receive an email by 4.00 pm on 31 August 2022 should contact the Company's webcast vendor by email at [webcast@bigbangdesign.co](mailto:webcast@bigbangdesign.co).
- CPF/SRS Investors who wish to appoint the Chairman of the AGM as a proxy should approach their respective CPF Agent Banks/ SRS Operators to submit their voting instructions by at least 7 working days before the AGM. This Proxy Form is not valid for use by CPF/SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS Investors.
- By submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (and his appointed proxy(ies)) consents to the collection, use and disclosure of their personal data by the Company (or its agents or service providers) for such purposes and/or otherwise with the personal data privacy terms set out in the Notice of Annual General Meeting dated 23 August 2022.

I/We\* \_\_\_\_\_ (full name in capital letters)

\_\_\_\_\_ (NRIC No. /Passport No. /Company Registration No.\*)

of \_\_\_\_\_ (full address)

being a member/members\* of **Camsing Healthcare Limited** ("Company"), hereby appoint the Chairman of the annual general meeting of the Company ("AGM"), as my/our\* proxy to vote for me/us\* on my/our\* behalf at the AGM to be held by way of electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS) at 10.00 am on 7 September 2022 and at any adjournment thereof.

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

No.	Resolutions relating to:	For	Against	Abstain
<b>Ordinary Business</b>				
1.	Adoption of the Audited Financial Statements for the financial year ended 31 January 2022 together with the Directors' Statement and Auditors' Report thereon			
2.	Re-election of Ms. Liu Hui as a Director of the Company			
3.	Re-election of Mr. Tan Keng Keat (Chen Qingjie) as a Director of the Company			
4.	Re-appointment of Messrs Crowe Horwath First Trust LLP as the Auditors of the Company and authorise the Directors to fix their remuneration			
<b>Special Business</b>				
5.	Authority to Directors to allot and issue new shares pursuant to Section 161 of the Companies Act 1967			

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

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

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

\*Delete where inapplicable

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM**



## NOTES:

### IMPORTANT

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company will implement alternative arrangements relating to attendance at the AGM by electronic means. Members will not be able to attend the AGM in person. Members will be able to watch the proceedings of the AGM through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, members who wish to watch the "live" webcast or listen to the "live" audio feed must pre-register by 10.00 am on 30 August 2022, at <https://globalmeeting.bigbangdesign.co/ch2022/>. Following authentication of their status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the AGM by 4.00 pm on 31 August 2022. Members who do not receive an email by 4.00 pm on 31 August 2022, but have registered by 10.00 am 30 August 2022, should contact the Company's webcast vendor by email at [webcast@bigbangdesign.co](mailto:webcast@bigbangdesign.co).
3. The Chairman of the AGM, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the AGM as proxy must:
  - (a) if sent personally or by post, be received at the registered office of the Company at 24 Raffles Place, #20-03 Clifford Centre, Singapore 048621; or
  - (b) if submitted by email, be received by the Company, by email at [enquiry.camsing@naturesfarm.com](mailto:enquiry.camsing@naturesfarm.com),in either case no later than 10.00 am on 5 September 2022, and in default the instrument of proxy shall not be treated as valid. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
5. The instrument appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
6. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the instrument of proxy, failing which the instrument may be treated as invalid.
7. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).
8. In the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
9. Similarly, a member of the Company who holds his/her shares through a Relevant Intermediary\* (including CPF and SRS investors) and who wish to exercise his/her votes by appointing the Chairman of the AGM as proxy should approach his/her Relevant Intermediary (including his/her CPF Agent Banks and SRS Operators) to submit his/her voting instructions at least seven (7) working days prior to the date of the AGM.

\*A Relevant Intermediary means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

### Important Reminders

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





Camsing Healthcare Limited  
24 Raffles PI, #20-03 Clifford Centre, Singapore 048621