ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2017

CAMSING HEALTHCARE

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

Contents

Corporate Profile

Camsing Healthcare Limited ("Camsing Healthcare") was incorporated in Singapore on 19 December 1979. Camsing Healthcare conducts investment activities in healthcare related business and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited. The current principal activities of the Group are in the distribution and retailing of health supplements and foods in Singapore and China.

Nature's Farm Pte Ltd

Since Nature's Farm's incorporation in 1982, the Brand has established itself as a trusted and recognized name in quality imported health supplements, honey and health foods. Nature's Farm today operates 19 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 Redmart, Qoo10 and Lazada. Nature's Farm also successfully opened new doors into China, to bring Nature's Farm brand of supplements and health foods to Chinese consumers through www.Tmall.com and www.JD.com, two of China's largest e-commerce sites.

Nature's Farm unveiled a new flagship lifestyle store concept at Parkway Parade to present a fresh new look that is centered on natural wood accents with a touch of the brand's signature green. The new store features a sampling Bar to allow consumers to sample and try selected supplements and health foods before purchase, as well as a Nutritionist Advisory corner to provide personalized nutrition advice by Nature's Farm team of certified nutritionists.

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

Lo Ching
(Chairman/Non-Independent Executive Director)

Liu Hui
(Non-Independent Executive Director)

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

Maurice Tan Huck Liang
(Independent Non-Executive Director)

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

COMPANY SECRETARIES

Khoo Boon Han
Geraldine Peiyan Goh

REGISTERED OFFICE

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

REGISTRAR

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

AUDITORS

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

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

GROUP PRINCIPAL BANKERS

(in alphabetical order)

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

STOCK EXCHANGE LISTING

Singapore Exchange Securities Trading Limited

Profile of Board of Directors

Lo Ching

(Chairman/Non-Independent Executive Director)

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

Liu Hui

(Non-Independent Executive Director)

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

Ong Wei Jin

(Non-Independent Non-Executive Director)

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

Maurice Tan Huck Liang

(Independent Non-Executive Director)

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

Lau Chin Hock Kenneth Raphael

(Independent Non-Executive Director)

Mr. Lau was appointed as a Director on 19 November 2015. He is currently serving avs Senior Strategist at Kearsley Ltd, and is Executive Director of a privately-held asset management company. Mr. Lau worked in infrastructure finance prior to joining Kearsley Ltd, and holds an MBA from INSEAD.

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statement for the financial year ended 31 January 2017 ("FY 2016/2017").

Financial Review

It has been a volatile year filled with many uncertainties and unexpected outcomes brought about by major economic and political events.

Notwithstanding the challenging market environment, we are pleased to report an improved operating performance and strategic progress.

Revenue of the Group leapt 29 percent to S$18.24 million in FY2016/2017 compared to S$14.13 million year-on-year; the increase was driven primarily by the wholesale trade sector.

The Group has managed a turnaround with profit before tax of S$164 thousand for the year ended 31 January 2017 compared to a pre-tax loss of S$2.197 million a year ago. The gain was attributable to expanded distribution channels in China market and license fee charged to distributors in China.

As at 31 January 2017, Shareholder's Fund at Group level stood at S$10.87 million, compared to S$10.61 million in FY2015/16.

Review of Operations

With the omnipresent prevalence of social media and e-commerce in today's society, the Management has consciously directed efforts at growing Nature's Farm brand equity, reach and engagement on key social media and digital platforms such as Facebook and Instagram. In line with the unveiling of the new flagship lifestyle store at Parkway, Nature's Farm invited key print and digital media, as well as leading local lifestyle, health, wellness, fitness and parenting social media influencers to the media meet-and-greet sessions to introduce them to the new retail elements incorporated in the flagship store.

Media reception to unveil Nature's Farms new lifestyle flagship store at Parkway Parade

E-commerce platforms that Nature's Farm operates on overseas and in Singapore

In the area of e-commerce, Nature's Farm also increased its reach by leveraging on leading e-commerce platforms such as Qoo10, Redmart, Shoppee and Lazada to reach out to a wider consumer pool. To further enhance the brand's sales performance via these channels, resources will be directed towards producing digital content assets, such as product information videos, product testimonials/tutorials, designed to engage with online consumers.

Apart from efforts in e-commerce to grow business revenue and new clientele, Nature's Farm also participated in several third-party organized consumer fairs, such as atriums organized by Watsons as an additional avenue to increase our reach and visibility.

Nature's Farm also collaborated closely with mall landlords and various corporate partners, such as Standard Chartered Bank, SingTel, DBS, Samsung and EZ-Link in campaigns designed to engage with their shoppers, members and subscribers through various vouchers giveaways and social media contests giveaways with the objective of generating increased shoppers' traffic into Nature's Farm stores.

The brand also successfully launched a new range of premium NZ UMF® Manuka Honey under Nature's Farm own NF Reserve label in December 2016 which has been favorably received by consumers to date.

Moving forward into 2017 and beyond, on-going efforts will be invested in "refreshing" the Nature's Farm brand in ensuring that the brand continues to stay relevant to current customers as well as the younger generation of consumers who are in the 20s to 40s.

One-to-one free nutrition advisory by nutritionist

Chairman's Statement

In wholesale trade sector, we have expanded our presence in key market, China. The Group has successfully entered into the distribution agreements with two major distributors in China during the financial year. It provides a robust pipeline to fuel the Group's future growth.

Outlook

Despite the uncertain economic climate for 2017, the Group continues to strengthen its business.

Progress is being made in enhancing brand value, addressing margin pressures, strengthening supply chain and systems capability to sustain business growth.

The board of directors (the "**Board**") has endorsed management's plans to globalize the Group further, as we look to extend our business into new markets that offer growth opportunities.

Further, the Board will continue to oversee management's performance closely, ensuring that the Group executes its strategy with financial discipline and with integrity.

The Group is on track to reach the targets we have set for ourselves and the Board remains supportive of the current strategy. We are confident that the Group will continue to deliver growth and value to all our stakeholders.

Acknowledgement

On behalf of the Board of Directors, I would like to thank all the staff for their commitment, dedication and contribution to the Group's performance. I would also like to extend my heartfelt thanks to our Board of Directors for their continued counsel and support.

Lo Ching,
Chairman
5 May, 2017

Group Financial Highlights

Year Ended 31 January	2017 $'000	2016 $'000	Changes %
Results			
Revenue	18,235	14,131	29
Profit/(Loss) before tax	164	(2,197)	N.M
Profit/(Loss) attributable to shareholders	161	(1,979)	N.M
At Balance Sheet Date			
Shareholders' funds	10,866	10,613	2
Total assets	16,189	15,005	8
Per Ordinary Share			
Profit/(Loss) per share (cents)	0.54	(6.60)	N.M
Net tangible assets per share (cents)	36.22	35.38	N.M
Financial Ratios			
Return on shareholders' funds (%)	1.48	(18.65)	N.M
Net debt-equity ratio	0:1	0:1	-
Interest cover (times)	2.25	(11.92)	N.M

N.M : Not Meaningful

Group Financial Highlights

Five-Year Group Financial Statistics

Year Ended 31 January	2017 $'000	2016 $'000	2015 $'000	2014 $'000	2013 $'000
Income Statement					
Revenue	18,235	14,131	15,787	16,067	18,523
Profit before tax	164	(2,197)	507	(805)	(137)
Income tax expense	(3)	218	(69)	88	(30)
Profit for the year	161	(1,979)	438	(717)	(167)
Profit attributable to owners of the parent	161	(1,979)	438	(1,106)	(147)
Balance Sheet					
Property, plant and equipment	2,138	2,136	2,096	1,947	1,635
Other receivables - non-current	672	569	676	893	984
Net Current assets	8,066	8,253	10,177	11,353	12,671
Long term investments		-	532	531	545
Deferred tax assets	209	241	98	112	325
Total assets employed	11,085	11,199	13,579	14,836	16,160
Shareholders' funds	10,866	10,613	13,136	14,391	15,589
Minority interest					
Non-current liabilities	41	418	381	399	533
Deferred tax liabilities	178	168	62	46	38
Total funds invested	11,085	11,199	13,579	14,836	16,160
Per Ordinary Share					
Profit/(Loss) after tax attributable to owners of the parent (cents)	0.54	(6.60)	0.29	(0.74)	(0.10)
Net tangible assets (cents)	36.22	35.38	8.73	9.55	10.15
Gross dividend (cents)					
- Interim	-	-	0.3	-	-
- Final	-	-	0.2	0.8	0.3
Financial Ratios					
Return on shareholders' funds after minority interest attributable to shareholders (%)	1.48	(18.65)	3.33	(7.68)	(0.94)
Net debt-equity ratio	0 : 1	0 : 1	0 : 1	0 : 1	0 : 1
Interest cover (times)	2.25	(11.92)	4.55	(4.78)	0.15

Corporate Governance Report

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

1. BOARD MATTERS

1.1 The Board's Conduct of Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

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

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

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

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

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

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

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

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

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

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

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

(d) material acquisitions and disposal of assets;

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

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

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

1. BOARD MATTERS (cont'd)

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

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

The number of meetings held by the Board and Board Committees and the attendance of each Director for the financial year ended 31 January 2017 are summarised in the table below:

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

Notes:

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

^ Attendance by invitation.

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

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

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

1.2 Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

1. BOARD MATTERS (cont'd)

1.2 Board Composition and Guidance (cont'd)

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

Executive Directors

Lo Ching	-	Executive Chairman
Liu Hui	-	Executive Director

Non-Executive Directors

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

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

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

The criterion for independence is based on the definition given in the Code. The Code defines an independent director as one who has no relationship with the company, its related corporations, its 10% shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the company. The independence of each Director is reviewed annually by the NC in accordance with the definition of independence in the Code. The two (2) Independent Directors have confirmed their independence in accordance with the definition of independence in the Code and the NC, following its review, is of the view that the two (2) Independent Directors are independent in accordance with the definition of independence in the Code.

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

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

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

1. BOARD MATTERS (cont'd)

1.2 Board Composition and Guidance (cont'd)

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

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

1.3 Chairman and Chief Executive Officer

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

The Chairman of the Board is Ms. Lo Ching. As Chairman of the Board, she bears primary responsibility for the workings of the Board, by ensuring effectiveness on all aspects of its role including setting agenda for Board meetings with input from Management, ensuring that sufficient time is allocated for discussion of agenda items at Board meetings, promoting an open environment at Board meetings for constructive debate, encouraging all Directors to speak freely, and exercising control over the quality, quantity and timeliness of information flow between the Board and Management. At annual general meetings ("**AGMs**") and other shareholders' meetings, she plays a pivotal role in fostering constructive dialogue between Shareholders, the Board and Management.

Mr Lim Say Kian Stephen, Chief Executive Officer ("**CEO**") of the Company, who was responsible for the corporate affairs of the Group and for overseeing the overall management, daily operations and performance of the Group resigned on 1 March 2017. The Chairman and the CEO of the Company were separate persons and were not related to each other.

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

As the Chairman is not an independent director, for the purposes of good corporate governance practice and to ensure that there is no concentration of power and authority vested in one individual, the Board is currently considering the appointment of a lead independent director.

1.4 Board Membership

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

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

1. BOARD MATTERS (cont'd)

1.4 Board Membership (cont'd)

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

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

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

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

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

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

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

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

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

The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years. Articles 90 and 91 of the Company's Articles of Association provide that one-third of the Board, or the number nearest to one-third, shall retire by rotation at every AGM. In addition, Article 96 of the Company's Articles of Association provides that new Directors appointed during the year either to fill a casual vacancy or as an additional Director shall retire but shall be eligible for re-election at the following general meeting of the Company. The following Directors are retiring at the forthcoming AGM in accordance with Articles 90 and 91:

(a) Lo Ching; and

(b) Ong Wei Jin

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

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

1. BOARD MATTERS (cont'd)

1.5 Board Performance

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

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

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

The contribution of each Director to the effectiveness of the Board and Board Committee is assessed on 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. No external facilitator was used in the evaluation process.

1.6 Access to Information

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

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

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

1. BOARD MATTERS (cont'd)

1.6 Access to Information (cont'd)

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

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

2. REMUNERATION MATTERS

2.1 Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

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

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

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

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

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

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

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

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

The RC will meet to consider and review the remuneration packages of the Directors and key management personnel, including those employees related to the Executive Directors and controlling shareholders of the Company. No remuneration consultants were engaged by the Company in the financial year ended 31 January 2017.

2. REMUNERATION MATTERS (cont'd)

2.2 Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

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

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

The Executive Directors are not drawing any remuneration.

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

2.3 Disclosure on Remuneration

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

Details of remuneration of Directors and CEO

A breakdown of remuneration paid to or accrued to each Director and the former CEO for the financial year ended 31 January 2017 is as follows:

	Fees (%)	Salary (%)	Bonus (%)	Total (%)	Total (S$'000)
Directors					
Lo Ching	0	0	0	0	0
Liu Hui	0	0	0	0	0
Lau Chin Hock Kenneth Raphael	100	0	0	100	26
Maurice Tan Huck Liang	100	0	0	100	26
Ong Wei Jin	100	0	0	100	26
CEO					
Lim Say Kian Stephen[1]	0	92	8	100	248

Notes:

(1) Mr Lim Say Kian Stephen, the former CEO of the Company, resigned on 1 March 2017.

2. REMUNERATION MATTERS (cont'd)

2.3 Disclosure on Remuneration (cont'd)

Details of remuneration of top key management personnel

The breakdown of remuneration paid to or accrued to each key management personnel for the financial year ended 31 January 2017 is as follows:

Key Management Personnel	Salary (%)	Bonus (%)	Other benefits (%)	Total (%)
Below S$250,000				
Low Kean Jin[(1)]	82	12	6	100
Chang Chor Hwa[(2)]	80	1	19	100

Notes:

(1) Mr Low Kean Jin, the former Regional Director of William Jacks & Company (Singapore) Private Limited, Nature's Farm Pte Ltd and Nutra-Source Pte Ltd subsidiaries of the Company, had ceased employment on 18 May 2016.

(2) Mdm Chang Chor Hwa, the former Chief Operating Officer of Nature's Farm Pte Ltd, a subsidiary of the Company, had resigned on 16 April 2017.

The aggregate total remuneration paid to the top key management personnel (who are not Directors or the CEO) for the financial year ended 31 January 2017 was approximately S$380,000. Apart from the key management personnel as disclosed in this Report, there is no other key management personnel in the Group.

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

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

The Group does not have any employees who are immediate family members of any Director, whose remuneration exceeded S$50,000 for the financial year ended 31 January 2017.

3. ACCOUNTABILITY AND AUDIT

3.1 Accountability

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

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

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

3. ACCOUNTABILITY AND AUDIT (cont'd)

3.2 Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

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

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

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

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

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

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

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

The Board reviews the effectiveness of the Group's material internal controls, including financial, operational and compliance controls and risk management. In this respect, the AC reviews the audit plans, and the findings of the Company's external auditors and will ensure that the Company follows up on the auditors' recommendations raised, if any, during the audit process. The key management personnel also regularly evaluates, monitors and reports to the AC on material risks. While no cost effective internal control system can provide absolute assurance against loss or misstatement, the AC, with the participation of the Board, has reviewed the adequacy of the Group's internal controls and systems to ensure that they are designed to provide reasonable assurance that assets are safeguarded, operational controls are in place, business risks are suitably managed, proper accounting records are maintained and the integrity of financial information used for business and publication are preserved.

For the financial year ended 31 January 2017, the Board has received assurance from the CEO that the financial records were properly maintained, the financial statements gave a true and fair view of the Company and the Group's operations and finances, and regarding the effectiveness of the Company's risk management and internal controls system.

Based on the existing internal controls maintained by the Group and work performed by the Group's external auditors, the Board and the various Board Committees, the Board, with the concurrence of the AC, is satisfied with the adequacy of the Group's internal controls in addressing the current financial, operational and compliance risks of the Group as at 31 January 2017. The Company will revisit the adequacy of the Group's existing internal controls periodically.

3. ACCOUNTABILITY AND AUDIT (cont'd)

3.3 Audit Committee

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

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

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

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

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

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

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

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

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

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

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

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

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

(k) To undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

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

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

(n) To review the adequacy of the Company's internal financial controls, operational 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.

3. ACCOUNTABILITY AND AUDIT (cont'd)

3.3 Audit Committee (cont'd)

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

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

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

In its recommendation to the Board to approve the full year financial statements, the AC reviewed the results of the audit, significant findings or areas of emphasis and audit recommendations. In particular, the following key audit matters highlighted in the Independent Auditors' Report on pages 30 to 31 of the Annual Report were also discussed with Management and the independent auditors:

Key audit matters	How did AC review this matters
Impairment of property, plant and equipment	The AC considered management's approach and methodology applied in the valuation of assets as well as the estimates and key assumptions used in the impairment assessment.
Impairment of investment in subsidiaries	The AC reviewed the reasonableness of cashflow forecast, growth rate and discount rate used in the impairment testing
Transactions with new key customers	The AC considered management's approach and methodology used in the evaluation of potential distributors The AC reviewed the management approach and assessment over the recognition of revenue

The AC, having reviewed the scope and value of non-audit services provided to the Group by the Company's external auditors, Messrs Deloitte & Touche LLP ("Deloitte"), an accounting firm registered with the Accounting and Corporate Regulatory Authority, is satisfied that the nature and extent of such service will not prejudice the independence and objectivity of the Company's external auditors. The AC had recommended the re-appointment of Deloitte as its external auditors at the forthcoming AGM. The AC is satisfied that Deloitte and the audit engagement team assigned to the audit have adequate resources and experience to meet its obligations. 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 at page 75 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.

3. ACCOUNTABILITY AND AUDIT (cont'd)

3.3 Audit Committee (cont'd)

Whistle-Blowing Policy

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

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

3.4 Internal Audit

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

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

The internal audit team is staffed with individuals with the relevant qualifications and experience. It reports functionally to the AC and administratively to the CEO, has unfettered access to the AC, Board and senior management, and has the right to seek information and explanations.

4. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

4.1 Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

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

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

4. SHAREHOLDER RIGHTS AND RESPONSIBILITIES (cont'd)

4.2 Communication with Shareholders

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

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

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

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

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

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

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

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

4.3 Conduct of Shareholder Meetings

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

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

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

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

4. SHAREHOLDER RIGHTS AND RESPONSIBILITIES (cont'd)

4.3 Conduct of Shareholder Meetings (cont'd)

The Chairpersons of the AC, RC and NC are normally available at Shareholders' meetings to answer those questions relating to the work of these Board Committees. The Company's external auditors will also be present to assist the Directors in addressing queries by Shareholders, if necessary. To ensure that all the Shareholders have the opportunity to participate effectively in and vote at general meetings, voting at general meetings of the Company will henceforth be conducted by poll. The chairman of the meeting, with the assistance of service providers engaged by the Company, will brief Shareholders on the procedures involved in voting by poll. An announcement of the detailed results of the poll showing the number of votes cast for and against each resolution and the respective percentages will be announced after the general meeting via SGXNET.

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

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

5. MATERIAL CONTRACTS

Save as disclosed in paragraph 7 entitled "Interested Party Transactions", there were no material contracts entered into by the Company or its subsidiaries involving the interests of the CEO, Directors or controlling shareholders, which are either still subsisting at the end of the financial year ended 31 January 2017 or if not then subsisting, entered into since the end of the previous financial year.

6. DEALINGS IN SECURITIES

The Company has adopted a policy on dealings in securities in accordance with Rule 1207(19) of the Listing Manual. The Directors and officers are prohibited to deal in the Company's securities, during the period beginning one (1) month and two (2) weeks before the date of the announcement of the full year and half-year results respectively and ending on the date of the announcement of the relevant results. In addition, the officers of the Company are reminded (i) not to deal with the Company's securities 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.

7. INTERESTED PERSON TRANSACTIONS

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

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

7. INTERESTED PERSON TRANSACTIONS (cont'd)

The aggregate value of interested person transactions for the year ended 31 January 2017 is as follows:

Name of interested person	Aggregate value of all interested person transaction during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the (excluding transactions less than S$100,000)
Noble Circle Holding Co. Ltd Provision of consulting services by the Company's subsidiary to Noble Circle Holding Co. Ltd, the latter being a company where Ms Lo Ching is a shareholder	S$180,000	N.A.
Harry Elias Partnership LLP Provision of corporate secretarial services and legal retainer services by Harry Elias Partnership where Mr Ong Wei Jin is a partner	S$36,100	N.A.

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 exposures 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 Risk**

   The Group is exposed to a variety of financial risks, viz. credit, liquidity, interest rate, foreign currency and market price risks. The identification and management of such risks are outlined on pages 54 to 60 of the Annual Report (under Note 4 to the Financial Statement).

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

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

4. **Investment Risk**

   The risk of investments declining in value because of economic developments or other events that affect the entire market.

   All major investment are subject to vigorous scrutiny to ensure that they meet the relevant criteria rates of return, taking into consideration of all relevant risk factors such as operating currency and liquidity risks. In additional, 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 vest with the respective operating heads. Legal risk includes risks arising from actual or potential violations of law or regulation, inadequate documentation, failure to protect the Group's property etc.

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

Financial Statements

Directors' Statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Camsing Healthcare Limited (the "Company") and its subsidiary corporations (collectively, the "Group") and statement of financial position and statement of changes in equity of the Company for the financial year ended January 31, 2017.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 34 to 78 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at January 31, 2017, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

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

Maurice Tan Huck Liang
Liu Hui
Lo Ching
Lau Chin Hock Kenneth Raphael
Ong Wei Jin

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

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

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and February 21, 2017.

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

Directors' Statement

4 SHARE OPTIONS

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

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

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

5 AUDIT COMMITTEE

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

6 AUDITORS

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

ON BEHALF OF THE DIRECTORS

Lo Ching
Director

Liu Hui
Director

May 5, 2017

Independent Auditors' Report

To the Members of Camsing Healthcare Limited

Opinion

We have audited the accompanying financial statements of Camsing Healthcare Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at January 31, 2017, and the consolidated statement of profit or loss, consolidated statement of 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 year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 34 to 78.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") 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 January 31, 2017, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

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 opinion.

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 year. 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.

Key audit matters	Our audit performed and responses thereon
Impairment of property, plant and equipment	
In view of the continued losses incurred by the Group from retail sales in Singapore for the year ended January 31, 2017, management performed an impairment assessment of its property, plant and equipment. This impairment assessment involves significant estimation and judgement in the preparation of business plans and cash flow forecasts. The key assumptions applied to the impairment testing on certain property, plant and equipment of outlets which have indication of impairment and the sensitivity of changes in these key assumptions to the risk of impairment are disclosed in Note 11 to the financial statements.	We reviewed the Group's property, plant and equipment to determine if there are any impairment indicators. Based on the performance of the outlets, impairment indicators were identified for those outlets that have incurred losses. For certain outlets which shows indication of impairment, we evaluated and challenged the key assumptions used by management in conducting the impairment review. These procedures included: ● Challenging the key assumptions used in the cash flow forecasts with comparison to recent performance, trend analysis, and future business plans. ● Stress-testing the cash flow forecasts by performing independent sensitivity analysis. ● By reference to prior years' performance to assess the reasonableness of assumptions applied to the cash flow forecast. We have also assessed and validated the appropriateness of disclosures made in the financial statements.
Impairment of investment in subsidiaries	
The Company assesses at each reporting date whether there is any indication that its investment in subsidiaries may be impaired. If such indication exists, management will carry out a review of the business plans and cash flow forecasts and determine if an impairment loss is required to be recorded during the year. The key assumptions to the impairment testing and the sensitivity of changes in these key assumptions to the risk of impairment are disclosed in Note 12 to the financial statements.	Our audit procedures focused on evaluating and challenging the key assumptions used by management in conducting the impairment review. These procedures included: ● Challenging the key assumptions used in the cash flow forecasts with comparison to recent performance, trend analysis, future business plans and committed orders from customers. ● Stress-testing the cash flow projections by performing independent sensitivity analysis. ● By reference to prior years' forecasts to assess whether the entities have achieved them. We have also assessed and validated the appropriateness of disclosures made in the financial statements.

Key audit matters	Our audit performed and responses thereon
Transactions with new key customers	
During the financial year ended January 31, 2017, the Group entered into exclusive sale and distribution agreements with two key outside parties for the sale of health products and licensing fee income for use of the Group's trademark in China and Hong Kong. Majority of the sales to these two key customers were in January 2017 which amounted to $5,961,000 representing 33% of the Group's revenue as well as license fees of $852,000. The above transactions contributed to the Group's current year profit making position.	Our audit procedures focused on management's evaluation of the arrangements with these two key customers. These procedures included: ● obtaining management assessment of the background of these two key customers; ● reviewed management's assessments that these two key customers are not related to the Group; and ● sighted to relevant documentation such as signed sales and distribution agreements, sales invoices and shipping documents

Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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. We have nothing to report in this regard.

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 FRSs, 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 consolidated financial statements.

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

(a) 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.

(b) 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.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) 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 and Company'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 and the Company to cease to continue as a going concern.

(e) 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.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities and 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.

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 consolidated 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 Tsia Chee Wah.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

May 5, 2017

Statements of Financial Position

January 31, 2017

	Note	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
ASSETS					
Current assets					
Cash and cash equivalents	7	**5,784**	356	**3,373**	51
Pledged fixed deposits	7	**–**	3,400	**–**	3,400
Trade and other receivables	8	**3,833**	1,028	**457**	230
Inventories	9	**3,553**	6,756	**–**	–
Available-for-sale investments	10	**–**	519	**–**	519
Total current assets		**13,170**	12,059	**3,830**	4,200
Non-current assets					
Other receivables	8	**672**	569	**–**	–
Property, plant and equipment	11	**2,138**	2,136	**–**	–
Investment in subsidiaries	12	**–**	–	**18,216**	18,336
Deferred tax assets	13	**209**	241	**–**	–
Total non-current assets		**3,019**	2,946	**18,216**	18,336
Total assets		**16,189**	15,005	**22,046**	22,536
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	14	**743**	955	**8,235**	8,402
Provisions	15	**145**	174	**–**	–
Interest-bearing loans and borrowings	16	**4,200**	2,639	**–**	–
Finance lease	17	**16**	16	**–**	–
Income tax payable		**–**	22	**–**	–
Total current liabilities		**5,104**	3,806	**8,235**	8,402
Non-current liabilities					
Interest-bearing loans and borrowings	16	**–**	361	**–**	–
Finance lease	17	**41**	57	**–**	–
Deferred tax liabilities	13	**178**	168	**–**	–
Total non-current liabilities		**219**	586	**–**	–
Capital and reserves					
Share capital	18	**14,250**	14,250	**14,250**	14,250
Reserves	19	**(3,431)**	(3,523)	**–**	(25)
Retained earnings (Accumulated losses)		**47**	(114)	**(439)**	(91)
Total equity		**10,866**	10,613	**13,811**	14,134
Total liabilities and equity		**16,189**	15,005	**22,046**	22,536

See accompanying notes to financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the financial year ended January 31, 2017

	Note	2017 $'000	2016 $'000
Revenue	20	**18,235**	14,131
Cost of sales		**(8,982)**	(6,317)
Gross profit		**9,253**	7,814
Interest income	21	**27**	40
Other income	22	**1,172**	318
Marketing and distribution expenses		**(7,756)**	(7,537)
Administrative expenses		**(2,401)**	(2,662)
Finance costs	23	**(131)**	(170)
Profit (Loss) before tax		**164**	(2,197)
Income tax	24	**(3)**	218
Profit (Loss) for the year	25	**161**	(1,979)
Other comprehensive income (loss)			
Items that will not be reclassified subsequently to profit or loss			
Deferred tax liability arising from revaluation of leasehold property	24	**(5)**	(102)
Revaluation of leasehold property		**28**	(88)
		23	(190)
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations		**44**	(41)
Reclassification to profit or loss from equity on disposal of available-for-sale investments		**25**	–
Fair value change of available-for-sale investments		**–**	(13)
		69	(54)
Other comprehensive income (loss) for the year, net of tax		**92**	(244)
Total comprehensive income (loss) for the year		**253**	(2,223)
Profit (Loss) attributable to owners of the Company		**161**	(1,979)
Total comprehensive income (loss) attributable to owners of the Company		**253**	(2,223)
Earnings (Loss) per share (cents per share)			
Basic and diluted	26	**0.54**	(6.60)

See accompanying notes to financial statements.

Statements of Changes in Equity

for the financial year ended January 31, 2017

		Attributable to owners of the Company					
	Note	**Share capital (Note 15)**	**Foreign currency translation reserve**	**Revaluation reserve**	**Fair value reserve**	**Retained earnings (Accumulated losses)**	**Total**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group							
Balance as at February 1, 2015		14,250	(3,953)	686	(12)	2,165	13,136
Total comprehensive income for the year							
Loss for the year		–	–	–	–	(1,979)	(1,979)
Other comprehensive loss for the year		–	(41)	(190)	(13)	–	(244)
Total		–	(41)	(190)	(13)	(1,979)	(2,223)
Transactions with owners, recognised directly in equity							
Dividends	29	–	–	–	–	(300)	(300)
Balance as at January 31, 2016		14,250	(3,994)	496	(25)	(114)	10,613
Total comprehensive income for the year							
Profit for the year		–	–	–	–	161	161
Other comprehensive income for the year		–	44	23	25	–	92
Total		–	44	23	25	161	253
Balance as at January 31, 2017		14,250	(3,950)	519	–	47	10,866

	Note	**Share capital (Note 15)**	**Fair value reserve**	**Retained earnings (Accumulated losses)**	**Total**
		$'000	**$'000**	**$'000**	**$'000**
Company					
Balance as at February 1, 2015		14,250	(12)	506	14,744
Total comprehensive income for the year					
Loss for the year		–	–	(297)	(297)
Other comprehensive loss for the year		–	(13)	–	(13)
Total		–	(13)	(297)	(310)
Transactions with owners, recognised directly in equity					
Dividends	29	–	–	(300)	(300)
Balance as at January 31, 2016		14,250	(25)	(91)	14,134
Total comprehensive income for the year					
Loss for the year		–	–	(348)	(348)
Other comprehensive income for the year		–	25	–	25
Total					
Balance as at January 31, 2017		14,250	–	(439)	13,811

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

for the financial year ended January 31, 2017

	2017 $'000	2016 $'000
Operating activities		
Profit (Loss) before tax	**164**	(2,197)
Adjustments for:		
Depreciation expense	**349**	293
Impairment loss on property, plant and equipment	**66**	–
(Reversal of) Allowance for inventory obsolescence	**(16)**	6
Inventories written off	**114**	73
Interest expense	**131**	170
Interest income	**(27)**	(40)
Allowance for doubtful debts	**–**	334
Dividend income from investment securities	**–**	(26)
Loss on disposal of investment securities	**25**	–
Foreign exchange differences	**44**	(41)
Operating cash flows before movements in working capital	**850**	(1,428)
Trade and other receivables	**(2,908)**	923
Inventories	**3,105**	(695)
Trade and other payables	**(212)**	286
Provisions	**(29)**	6
Cash generated from (used in) operations	**806**	(908)
Interest received	**27**	40
Interest paid	**(131)**	(170)
Income taxes refund (paid)	**12**	(24)
Net cash from (used in) operating activities	**714**	(1,062)
Investing activities		
Purchase of property, plant and equipment (Note A)	**(389)**	(341)
Proceeds from disposal of investment securities	**519**	–
Dividend received from investment securities	**–**	26
Net cash from (used in) investing activities	**130**	(315)
Financing activities		
Dividends paid on ordinary shares	**–**	(300)
Proceeds from interest-bearing loans and borrowings	**4,200**	1,193
Repayment of interest-bearing loans and borrowings	**(838)**	(1,626)
Repayment of finance lease obligations	**(16)**	(7)
Fixed deposits lifted from (pledged with) a financial institution	**3,400**	(3,400)
Net cash from (used in) financing activities	**6,746**	(4,140)
Net increase (decrease) in cash and cash equivalents	**7,590**	(5,517)
Cash and cash equivalents at beginning of the year	**(1,806)**	3,711
Cash and cash equivalents (Overdrawn) at end of the year (Note B)	**5,784**	(1,806)

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

for the financial year ended January 31, 2017

Note A:

During the year, the Group purchased property, plant and equipment with an aggregate cost of $389,000 (2016 : $421,000). Of the total purchase, $Nil (2016 : $80,000) was acquired under finance lease arrangement.

Note B:

	Group	
	2017	**2016**
	$'000	**$'000**
Cash, bank balances and fixed deposits (Note 7)	**5,784**	356
Less: Bank overdrafts, secured (Note 16)	**–**	(2,162)
Cash and cash equivalents (Overdrawn)	**5,784**	(1,806)

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration Number 197903888Z) is incorporated and domiciled in Singapore. The registered office of the Company is at SGX Centre 2, #17-01, 4 Shenton Way, Singapore 068807. The principal place of business is located at 18 Kaki Bukit Road 3, #05-16 Entrepreneur Business Centre, Singapore 415978. The Company is listed on the Singapore Exchange. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended January 31, 2017 were authorised for issue by the Board of Directors on May 5, 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

ADOPTION OF NEW AND REVISED STANDARDS - On January 1, 2016, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRS does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

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

- FRS 109 *Financial Instruments* [1]
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)* [1]
- FRS 116 *Leases* [2]

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- Amendments to FRS 7 Statement of Cash Flows: Disclosure Initiative[3]

[1] Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

[2] Applies to annual periods beginning on or after January 1, 2019, with early application permitted if FRS 115 is adopted.

[3] Applies to annual periods beginning on or after January 1, 2017, with early application permitted.

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

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

FRS 109 *Financial Instruments*

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

Key requirements of FRS 109:

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

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

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

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Management anticipates that the initial application of the new FRS 109 will result in changes to the accounting policies relating to the impairment provision of financial assets and financial liabilities. Additional disclosures may be made with respect of trade and other receivables, including any significant judgement and estimation made. Management has commenced an assessment of the possible impact of implementing FRS 109. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 109.

FRS 115 *Revenue from Contracts with Customers*

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective. Further clarifications to FRS 115 were also issued in June 2016.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

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

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

As revenue is mainly derived from retail sales, management anticipates that the initial application of the new FRS 115 may not result in material changes to the accounting policies relating to revenue recognition. Additional disclosures will be made with respect of revenue and deferred revenue, including information about contracts with customers, contract balances and performance obligation. Management has commenced an assessment of the possible impact of implementing FRS 115. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 115.

FRS 116 *Leases*

FRS 116 was issued in June 2016 and will supersede FRS 17 Leases and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Management anticipates that the initial application of the new FRS 116 will result in changes to the accounting policies relating to operating leases, where the Group is a lessee. A asset will be recognised on statement of financial position, representing the Group's right to use the leased asset over the lease term and, recognise a corresponding liability to make lease payments. Management has commenced an assessment of the possible impact of implementing FRS 116. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 116.

Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*

The amendments required an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Management anticipated that the initial application of Amendments to FRS 7 will result in additional disclosures to be made with respect to statement of cash flows. Management has commenced an assessment of the possible impact of implementing Amendments to FRS 7. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as management has yet to complete its detailed assessment. Management does not plan to early adopt the Amendments to FRS 7.

IFRS convergence in 2018

Singapore-incorporated companies listed on the SGX will be required to apply a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards ("IFRS") for annual periods beginning on or after January 1, 2018. The Group will be adopting the new framework for the first time for financial year ending January 31, 2019.

Management is currently performing a detailed analysis of available policy choices, transition optional exemptions and transitional mandatory exceptions under IFRS1, and is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as management has yet to complete its detailed analysis.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

<u>Changes in the Group's ownership interests in existing subsidiaries</u>

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's 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.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 Financial Instruments: Recognition and Measurement, or FRS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

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

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

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

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 Share-based Payment at the acquisition date; and

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Effective interest method

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

Financial assets

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

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

Available-for-sale financial assets

Certain shares and debt securities held by the Group are classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described in Note 4. Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the available-for-sale monetary asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

Cash and cash equivalents

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

Loans and receivables

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

Impairment of financial assets

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

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

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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

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

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

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

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

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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

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

<u>Derecognition of financial assets</u>

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

Financial liabilities and equity instruments

<u>Classification as debt or equity</u>

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

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

Equity instruments

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

Offsetting arrangements

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

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

The Group as lessee

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

PROPERTY, PLANT AND EQUIPMENT - Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

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

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

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

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

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

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

Sale of goods

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

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

Interest income

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

Dividend income

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

Management and License fee income

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

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

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

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

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

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

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Critical judgements in applying the Group's accounting policies

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

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over their estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 10 years except for the building which is 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment as at January 31, 2017 is disclosed in Note 11 to financial statements.

(ii) Allowance for inventory obsolescence

Allowance for inventory obsolescence is estimated based on the available facts and circumstances, including but not limited to, the inventories own physical conditions and aging, their market selling prices, and estimated costs to be incurred for their sales. The allowances are re-evaluated and adjusted as additional information received affects the amount estimated. The carrying amount of the Group's inventories as at the end of the reporting period is disclosed in Note 9 to the financial statements.

(iii) Impairment of investment in subsidiaries

The Company assesses at each reporting date whether there is an indication that its investment in subsidiaries may be impaired. This requires an estimation of the value in use of the cash generating units. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investment in subsidiaries at January 31, 2017 is disclosed in Note 12 to the financial statements, net of impairment losses recognised.

(iv) Assessment of recoverability of receivables

The assessment of recoverability of trade and other receivables of the Group is based on the ongoing evaluation of collectability and ageing analysis of the outstanding debts and on management's estimate of the ultimate realisation of these receivables, including creditworthiness and the past collection history of each debtor. Management has evaluated the recovery of those receivables based on such estimates and is confident that the allowance for doubtful receivables, where necessary, is adequate. Management performs on-going assessments on the ability of its debtors to repay the amounts owing to the Group. The carrying amounts of the Group's trade and other receivables as at the end of the reporting period are disclosed in Note 8 to the financial statements.

(v) Valuation of leasehold property

As disclosed in Note 11, the leasehold property is stated at fair value based on the valuation performed by an independent professional valuer. The independent professional valuer determined the fair values based on a method of valuation which involves the use of certain estimates. Management is of the view that the estimates used by the independent professional valuer are reasonable.

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

Key sources of estimation uncertainty (cont'd)

(vi) Impairment of property, plant and equipment

The Group assesses at each reporting date whether there is an indication that its property, plant and equipment may be impaired. Where such indicators exist, management has evaluated the value in use of the assets. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the use of the assets. The carrying amount of the Group's property, plant and equipment at January 31, 2017 is disclosed in Note 11 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

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

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
Loans and receivables (including cash and bank balances)	**9,805**	4,938	**3,806**	3,663
Available-for-sale financial assets	**–**	519	**–**	519
	9,805	5,457	**3,806**	4,182
Financial liabilities				
Amortised cost	**5,000**	4,028	**8,235**	8,402

(b) Financial risk management policies and objectives

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

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

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

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(i) Foreign exchange risk management

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

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

Group

	Assets		Liabilities	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
AUD	**–**	1	**–**	–
USD	**2,124**	62	**38**	203
NZD	**43**	–	**–**	256
EUR	**–**	1	**–**	6
JPY	**30**	57	**–**	–
NTD	**–**	70	**–**	–

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

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

Sensitivity analysis for foreign currency risk

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
USD	**104**	(7)	**–**	–
NZD	**2**	(13)	**–**	–
NTD	**–**	4	**–**	–
JPY	**2**	3	**–**	–

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their interest-bearing loans and borrowings. The Group obtains additional financing through term loan from banks and leasing arrangements. The Group's policy is to obtain the most favourable interest rates available. Information relating to the Group's interest rate exposure is also disclosed in the notes on the Group's interest-bearing loans and borrowings and finance lease (Notes 16 and 17).

Interest rate sensitivity

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

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit for the year ended January 31, 2017 would increase/decrease by $21,000 (2016: $Nil). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings;

(iii) Equity price risk management

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

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

Sensitivity analysis for equity price risk

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

In respect of available-for-sale equity investments, if the inputs to the valuation model had been 2% higher/lower while all other variables were held constant. The Group's net profit for the year ended January 31, 2017 would have been unaffected as the equity investments are classified as available-for-sale and no investments were disposed of or impaired and the Group's fair value reserves would increase/decrease by $Nil (2016 : $10,000).

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Credit risk management

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

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

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Of the trade receivables balance at the end of the year, $2,713,000 (2016: $Nil) is due from the Group's largest customer. There are no other customers who represent more than 5% of the total balance of trade receivables.

Exposure to credit risk

The maximum amount the Company could be forced to settle under the corporate guarantee (2016 : pledged fixed deposit in Note 7), if the full guaranteed amount (2016: fixed deposit pledged) is claimed by the counterparty to the guarantee (2016: charge) is $2,200,000 (2016 : $3,400,000).

Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee (2016 : charge) which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed (2016 : charged) suffer credit losses.

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

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Credit risk management (cont'd)

Credit risk concentration profile

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

	Group			
	2017		2016	
	$'000	% of total	$'000	% of total
By country:				
Singapore	**50**	**2**	86	74
Malaysia	**21**	**1**	32	26
China	**2,855**	**97**	–	–
Others	**–**	**–**	3	–
	2,926	**100**	121	100

Financial assets that are neither past due nor impaired

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

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

(v) Liquidity risk management

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

At the end of the financial year, the Company's current liabilities exceed its current assets by $4,405,000 (2016 : $4,202,000). The Company's current liabilities are mainly due to amounts owing to wholly owned subsidiaries of $8,162,000 (2016 : $8,315,000). In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows as a whole. The Company's liquidity risk is mitigated as management has the control over the timing and repayment of these financial liabilities arising from amounts due to wholly owned subsidiaries.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(v) Liquidity risk management (cont'd)

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.

	Weighted average effective interest rate	1 year or less	1 to 5 years	Over 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000
Group						
2017						
Financial assets						
Trade and other receivables	–	3,382	639	–	–	4,021
Cash and bank balances	–	3,184	–	–	–	3,184
Fixed deposits	1.00	2,626	–	–	(26)	2,600
Total financial assets	–	9,192	639	–	(26)	9,805
Financial liabilities						
Trade and other payables	–	743	–	–	–	743
Interest-bearing loans and borrowings	1.69 to 1.70	4,271	–	–	(71)	4,200
Finance lease	5.50	18	47	–	(8)	57
Total financial liabilities	–	5,032	47	–	(79)	5,000
2016						
Financial assets						
Trade and other receivables	–	646	536	–	–	1,182
Available-for-sale investments	–	519	–	–	–	519
Cash and bank balances	–	356	–	–	–	356
Pledged fixed deposits	0.80	3,427	–	–	(27)	3,400
Total financial assets		4,948	536	–	(27)	5,457
Financial liabilities						
Trade and other payables	–	955	–	–	–	955
Interest-bearing loans and borrowings	5.20 to 6.75	2,815	156	336	(307)	3,000
Finance lease	5.50	18	65	–	(10)	73
Total financial liabilities	–	3,788	221	336	(317)	4,028

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(v) Liquidity risk management (cont'd)

	Weighted average effective interest rate	1 year or less	1 to 5 years	Over 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000
Company						
2017						
Financial assets						
Other receivables		433	–	–	–	433
Cash and bank balances		773	–	–	–	773
Fixed deposits	1.00	2,626	–	–	(26)	2,600
Total financial assets		3,832	–	–	(26)	3,806
Financial liabilities						
Other payables, representing total financial liabilities		8,235	–	–	–	8,235
2016						
Financial assets						
Other receivables		212	–	–	–	212
Available-for-sale investments		519	–	–	–	519
Cash and bank balances		51	–	–	–	51
Pledged fixed deposits	0.80	3,428	–	–	(28)	3,400
Total financial assets		4,210	–	–	(28)	4,182
Financial liabilities						
Other payables, representing total financial liabilities	–	8,402	–	–	–	8,402

The maximum amount the Company could be forced to settle under the corporate guarantee contract (2016 : pledged fixed deposit in Note 7), if the full guaranteed amount (2016: fixed deposit pledged) is claimed by the counterparty to the guarantee (2016: charge) is $2,200,000 (2016 : $3,400,000). The earliest period that the corporate guarantee (2016: charge) could be called is within 1 year from the end of the reporting period. As mentioned in Note 4(b)(iv), the Group considers that it is more likely than not that no amount will be payable under the arrangement.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(vi) Fair value of financial assets and financial liabilities

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis.

There were no financial instruments that are carried at fair value as at January 31, 2017.

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy in the prior year.

	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	$'000	$'000	$'000	$'000
Group and Company				
2016				
Financial assets:				
Quoted equity instruments				
- Available-for-sale (Note 10)	519	–	–	519

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

Fair value hierarchy

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

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

There have been no transfers between Level 1, Level 2 and Level 3 during the financial years ended January 31, 2017 and 2016.

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.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Capital management policies and objectives

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

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

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

	Note	Group 2017 $'000	Group 2016 $'000
Interest-bearing loans and borrowings	16	**4,200**	3,000
Trade and other payables	14	**743**	955
Finance lease	17	**57**	73
Less: Cash and bank balances	7	**(3,184)**	(356)
Less: Fixed deposits	7	**(2,600)**	–
Less: Pledged fixed deposits	7	**–**	(3,400)
Net cash		**(784)**	272
Equity attributable to the owners of the Company		**10,866**	10,613
Capital and net cash		**10,082**	10,885
Gearing ratio		**N.A**	0.03

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

On November 18, 2015, Creative Elite Holdings Ltd, a company incorporated in the British Virgin Islands, acquired the Abacus Pacific N.V.'s shares in the Company and became the Company's immediate and ultimate holding company. Prior to that, the Company's immediate holding company was Abacus Pacific N.V., which is incorporated in The Netherlands and the ultimate holding company was Johan Holdings Berhad, which is incorporated in Malaysia and listed on Bursa Malaysia Securities Berhad. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

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

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS (cont'd)

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

	Group	
	2017	**2016**
	$'000	**$'000**
Sale of goods to a related company*	**–**	176

* A subsidiary of Johan Holdings Berhad.

6 OTHER RELATED PARTY TRANSACTIONS

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

	Group	
	2017	**2016**
	$'000	**$'000**
Professional fees paid to an entity where a director of the company is a partner	**36**	–
Management fees received from an entity controlled by a common shareholder	**180**	–
Compensation of key management personnel		
Directors' fees		
- Directors of the Company	**95**	41
Short-term employee benefits	**429**	397
Defined contribution plans	**20**	10
	544	448
Comprise amounts paid to:		
- Directors of the Company	**95**	41
- Other key management personnel	**449**	407
	544	448

7 CASH AND CASH EQUIVALENTS

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Cash at banks and in hand	**3,184**	356	**773**	51
Fixed deposits	**2,600**	–	**2,600**	–
	5,784	356	**3,373**	51
Pledged fixed deposits	**–**	3,400	**–**	3,400

Cash and bank balances of the Group and Company with financial institutions have an interest rate ranging from 0% to 0.1% (2016 : 0.1% to 1.5%) per annum and is re-priced annually. The fixed deposits have an interest rate of 1% (2016 : 0.8%) per annum. Fixed deposits are placed for three months (2016 : one year), and earn interests at the respective fixed deposit rates.

In 2016, the fixed deposits were pledged as security for the Group's bank borrowings (Note 16).

8 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Current:				
Trade receivables	**2,926**	121	**–**	–
Other receivables:				
- Rental deposits	**209**	468	**–**	–
- Deferred lease payment	**38**	43	**–**	–
- Advances to suppliers	**–**	90	**–**	–
- Prepaid operating expenses	**413**	249	**24**	18
- Sundry receivables	**67**	500	**–**	–
- Related companies (Note 5)	**180**	–	**433**	212
Less: Allowance for impairment	**–**	(443)	**–**	–
Total	**3,833**	1,028	**457**	230
Non-current:				
Rental deposits	**639**	536	**–**	–
Deferred lease payment	**33**	33	**–**	–
Total	**672**	569	**–**	–

The average credit period on sales of goods is 30 to 60 days (2016 : 30 to 60 days). No interest is charged on overdue amounts. Allowances for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

8 TRADE AND OTHER RECEIVABLES (cont'd)

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believes that there are no further credit allowances required in excess of the allowance for doubtful debts.

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

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

	Group	
	2017	**2016**
	$'000	**$'000**
Not past due and not impaired	**2,860**	32
Past due but not impaired (i)	**66**	89
	2,926	121

		Group	
		2017	**2016**
		$'000	**$'000**
(i)	Aging of receivables that are past due but not impaired:		
	Less than 30 days	**4**	1
	30 to 60 days	**6**	6
	61 to 90 days	**8**	8
	More than 90 days	**48**	74
		66	89
	The table below is an analysis of sundry receivables as at January 31:		
	Not past due and not impaired	**67**	57
	Impaired receivables - individually assessed (ii)	**–**	443
	Less: Allowance for impairment	**–**	(443)
		–	–
	Total sundry receivables, net	**67**	57

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

In the 2015, a subsidiary of the Group, entered into a legal claim in China for amounts owing from a third party amounting to $491,000 which included cost of inventories and overheads. The Group had made full allowance for impairment of the receivable amount as there was uncertainty that the court may rule in favour of the Group. In the event that the outcome was in favour of the Group, there was also uncertainty over the recoverability of the amount from the third party. The amounts were written off in current year.

8 TRADE AND OTHER RECEIVABLES (cont'd)

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

Deferred lease payment relates to rental of retail outlets, is initially recognised at fair value. The difference between the fair value and the actual amount paid is carried at the end of the reporting period as a deferred lease expense. The deferred lease expense is recognised as lease expense on a straight line basis over the lease terms ranging from 1 to 3 years (2016 : 1 to 3 years). Interest income is recognised over the lease terms on carrying amount of the deposit.

Movement in the allowance for doubtful receivables:

	Group	
	2017	**2016**
	$'000	**$'000**
Balance at beginning of the year	**443**	100
Amounts written off during the year	**(443)**	–
Increase in allowance recognised in profit or loss	**–**	334
Currency translation differences	**–**	9
Balance at end of the year	**–**	443

9 INVENTORIES

	Group	
	2017	**2016**
	$'000	**$'000**
Health foods and supplements		
- Raw materials	**874**	2,164
- Finished goods	**2,675**	4,182
- Goods in transit	**4**	410
Total	**3,553**	6,756
Inventories are stated after deducting allowance for stock obsolescence	**4**	20
Analysis of allowance for inventory obsolescence:		
Balance at beginning of year	**20**	14
(Reversal of) Allowance for the year	**(16)**	6
Balance at end of year	**4**	20
Inventories recognised as an expense in cost of sales	**8,982**	6,313
(Reversal of) Allowance for the year	**(16)**	6
Inventory written off	**114**	73

Allowance for inventories amounting to $4,000 (2016 : $20,000) has been estimated based on the age, historical and expected future usage of inventories.

10 AVAILABLE-FOR-SALE INVESTMENTS

	Group and Company	
	2017	2016
	$'000	$'000
Quoted equity shares at fair value	–	519

The above investments represent quoted equity shares that offered the Group the opportunity for return through dividend income and fair value gains. They carried a fixed coupon rate of 5.1%. The investments were disposed of in current year for a consideration of $519,000.

11 PROPERTY, PLANT AND EQUIPMENT

	Leasehold property $'000	Plant and machinery, furniture and vehicles $'000	Total $'000
Group			
Cost or valuation:			
At February 1, 2015	1,219	2,967	4,186
Additions	–	421	421
Revaluation decrease	(119)	–	(119)
Written off	–	(235)	(235)
At January 31, 2016	1,100	3,153	4,253
Additions	–	389	389
Written off	–	(576)	(576)
At January 31, 2017	1,100	2,966	4,066
Comprising:			
At January 31, 2016			
At cost	–	3,153	3,153
At valuation	1,100	–	1,100
	1,100	3,153	4,253
At January 31, 2017			
At cost	–	2,966	2,966
At valuation	1,100	–	1,100
	1,100	2,966	4,066

11 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold property $'000	Plant and machinery, furniture and vehicles $'000	Total $'000
Group			
Accumulated depreciation:			
At February 1, 2015	–	2,090	2,090
Depreciation charge for the year	31	262	293
Eliminated on revaluation	(31)	–	(31)
Written off	–	(235)	(235)
At January 31, 2016	–	2,117	2,117
Depreciation charge for the year	28	321	349
Eliminated on revaluation	(28)	–	(28)
Written off	–	(576)	(576)
At January 31, 2017	–	1,862	1,862
Impairment:			
Impairment loss recognised during the year and balance at January 31, 2017	–	66	66
Carrying amount:			
At January 31, 2017	1,100	1,038	2,138
At January 31, 2016	1,100	1,036	2,136

During the year, the Group carried out an impairment assessment of its plant and machinery, furniture and vehicles. These assets are used in the Group's health food trade segment. Based on the performance of the outlets, impairment indicators were identified for those outlets that have incurred losses. The review led to the recognition of an impairment loss on certain plant and machinery, furniture and vehicles of $66,000 (2016: $Nil) that has been recognised in profit or loss, and included in the line item administrative expenses.

The recoverable amount of the relevant assets has been determined on the basis of their value in use. The discount rate of 15.1% and revenue growth rate ranging from Nil% to 4.5% were applied to the cash flow projection up to the useful life of these assets. Management has further performed the following sensitivity analysis on certain assets which show indication of impairment and is confident that no further impairment loss is required. Should the discount rate increases to 19% or the revenue growth rate decreases by 1%, the Group would have to record an impairment loss of approximately $32,000 on certain plant and machinery, furniture and vehicles.

No impairment assessment was performed in 2016 as there was no indication of impairment.

As at January 31, 2017, the leasehold property with net carrying amount of $1,100,000 was pledged as security for the Group's bank borrowings (Note 16).

The vehicle with net carrying amount of $54,000 (2016: $70,000) that is acquired under finance lease arrangement is pledged as security for the finance lease (Note 17).

At January 31, 2017, had the leasehold property been carried at historical cost less accumulated depreciation, the carrying amount would have been approximately $521,620 (2016 : $535,718).

11 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Fair value measurement of the Group's leasehold property

As at January 31, 2017, the Group's leasehold property is stated at its revalued amount, being the fair value at the date of revaluation. The fair value measurements of the Group's leasehold property as at January 31, 2017 was performed by Sterling Property Consultants Pte Ltd (2016 : OrangeTee.com Pte Ltd), an independent valuer not connected with the Group, who has appropriate qualifications and recent experience in the fair value measurement of the property in the relevant location.

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

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

	Level 1	Level 2	Level 3	Fair value as at January 31, 2017 and 2016
	$'000	$'000	$'000	$'000
Leasehold property	–	–	1,100	1,100

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

The following table shows the significant unobservable input used in the valuation model for January 31, 2017 and 2016:

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

12 INVESTMENT IN SUBSIDIARIES

	Company	
	2017	2016
	$'000	$'000
Unquoted shares, at cost	**33,802**	33,802
Impairment losses	**(15,586)**	(15,466)
	18,216	18,336

Movement in impairment loss on investment in subsidiaries:

At beginning of financial year	**15,466**	15,479
Charge for the year	**120**	38
Reversal	**–**	(51)
At end of financial year	**15,586**	15,466

12 INVESTMENT IN SUBSIDIARIES (cont'd)

During the financial year, management reviewed the carrying amounts of all its subsidiaries to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amounts of these subsidiaries have been determined based on value in use calculation using cash flow projections from financial budgets approved by management covering five years period or net assets of the subsidiaries, if they are investment holding or inactive. The discount rate applied to the cash flow projection and the forecasted wholesale revenue growth rate used to extrapolate cash flow projections beyond the five year period are 15.1% and 7% (2016 : 15.1% and 5% to 10%) per annum respectively.

Management has further performed the following sensitivity analysis and is confident that no further impairment loss is required. Should the discount rate be increased to 16% (2016 : 35%), the Company would have to record an impairment loss of approximately $618,000 (2016 : $250) on its investment in subsidiaries. Should the forecasted wholesale revenue be decreased by 1% (2016 : 5%), the Company would have to record an impairment loss of approximately $2,539,000 (2016 : $2,459,000) on its investment in subsidiaries.

An impairment loss of $120,000 (2016 : $38,000) was recognised for the year ended January 31, 2017 to write down subsidiaries to its estimated recoverable amount.

In 2016, a reversal of impairment loss recognised of $51,000 was recognised in respect of the Company's investments in a subsidiary. The recoverable amounts of the subsidiary have been determined based on value in use calculation using cash flow projections from financial budgets approved by management covering a five year period.

	Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held 2017	2016
				%	%
	Held by the Company				
(i)	William Jacks & Co. (Singapore) Pte. Ltd.	Singapore	Trading in health foods and supplements	**100**	100
(i)	Nutra-Source Pte. Ltd.	Singapore	Trading in health foods and supplements	**100**	100
(ii) (iv)	Jacks Overseas Limited	Bahamas	Investment holding and management	**100**	100
(ii)	William Jacks (Australia) Pty. Ltd.	Australia	Investment holding	**100**	100
	Held through William Jacks & Co. (Singapore) Pte. Ltd.				
(i)	Nature's Farm Pte. Ltd.	Singapore	Trading in health foods and supplements	**100**	100
(iii)	Nature's Farm (Shanghai) Co. Ltd.	People's Republic of China	Trading in health foods and supplements	**100**	100
	Held through Jacks Overseas Limited				
(i)	Wismer Automation (Singapore) Pte. Ltd.	Singapore	Inactive	**90**	90

12 INVESTMENT IN SUBSIDIARIES (cont'd)

(i) Audited by Deloitte & Touche LLP, Singapore.

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

(iii) Audited by Beijing Redsun Certified Public Accountants Co., Ltd., Shanghai Branch Offices.

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

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

13 DEFERRED TAXATION

Deferred tax as at January 31 relates to the following:

	Revaluation of building $'000	Unused tax losses and tax offsets $'000	Difference between tax and accounting depreciation $'000	Others $'000	Total $'000
At February 1, 2015	–	–	(62)	98	36
Charge to other comprehensive income for the year (Note 24)	(102)	–	–	–	(102)
Credit (Charge) to profit or loss for the year (Note 24)	–	137	(4)	6	139
At January 31, 2016	(102)	137	(66)	104	73
Charge to other comprehensive income for the year (Note 24)	(5)	–	–	–	(5)
Credit (Charge) to profit or loss for the year (Note 24)	–	15	(5)	(47)	(37)
At January 31, 2017	(107)	152	(71)	57	31

	Group	
	2017 $'000	**2016 $'000**
Deferred tax assets	**209**	241
Deferred tax liabilities	**(178)**	(168)
	31	73

As at the end of the financial year, the Group's subsidiaries have tax losses and tax offsets of approximately $4,204,000 (2016 : $4,195,000) that are available for offset against future taxable profits of the companies in which the losses and offsets arose. A deferred tax asset has been recognised in respect of $894,000 (2016 : $808,000) of such losses. No deferred tax asset has been recognised in respect of the remaining $3,310,000 (2016 : $3,387,000) 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 TRADE AND OTHER PAYABLES

	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
Trade payables	**310**	512	**–**	–
Other payables:				
- Third parties	**56**	167	**–**	20
- Subsidiaries (Note 12)	**–**	–	**8,162**	8,315
- Accrued operating expenses	**377**	276	**73**	67
	743	955	**8,235**	8,402

Trade and other payables are non-interest bearing and are normally settled on 30 to 90 day (2016 : 30 to 90 day) terms.

15 PROVISIONS

	Provision for employee entitlement $'000	Provision for reinstatement $'000	Total $'000
Group			
At February 1, 2015	16	152	168
Arising during the year	91	24	115
Utilised	(91)	(18)	(109)
At January 31, 2016	16	158	174
Arising during the year	52	49	101
Utilised	(52)	(78)	(130)
At January 31, 2017	16	129	145

16 INTEREST-BEARING LOANS AND BORROWINGS

	Group 2017 $'000	Group 2016 $'000
Current:		
Bank overdrafts, secured	**–**	2,162
Bills payable, secured	**–**	457
Term loan, secured	**4,200**	20
	4,200	2,639
Non-current:		
Term loan, secured	**–**	361
Total interest-bearing loans and borrowings	**4,200**	3,000

16 INTEREST-BEARING LOANS AND BORROWINGS (cont'd)

During the year ended January 31, 2017, the Group obtained short-term loans of $4,200,000 which are renewable every three-months and bears interest rates between 1.69% to 1.70% per annum.

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

In 2016, bank overdrafts and bills payable bore fixed interest at rates ranging from 6.25% to 6.75% per annum. Bank overdrafts were repayable on demand and bills payable average term was 120 days. Interest-bearing loan and borrowings were secured over the Company's fixed deposit of $3,400,000.

17 FINANCE LEASE

	Minimum lease payments		Fair value of minimum lease payments	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Amounts payable under finance lease:				
Within one year	**18**	18	**16**	16
In the second to fifth years inclusive	**47**	65	**41**	57
	65	83	**57**	73
Less: Future finance charges	**(8)**	(10)	**NA**	NA
Present value of lease obligations	**57**	73	**57**	73
Less: Amount due for settlement within 12 months			**(16)**	(16)
Amount due for settlement after 12 months			**41**	57

The lease terms are for average of 4 years (2016 : 5 years). The average effective borrowing rate was 5.5% (2016 : 5.5%) per annum. Interest rates are fixed at the contract date and hence expose the Company to fair value interest rate risk. All leases are on fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in Singapore dollars.

The Company's obligations under finance leases are secured by the lessors' title to the leased assets.

18 SHARE CAPITAL

	2017 ('000)	**2016 ('000)**	**2017 $'000**	**2016 $'000**
	Number of ordinary shares			
Issued and paid up:				
At the beginning of the year	**30,000**	150,000	**14,250**	14,250
Effects of share consolidation	**–**	(120,000)	**–**	–
At the end of the year	**30,000**	30,000 (1)	**14,250**	14,250

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

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

19 RESERVES

i) Foreign currency translation reserve

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

ii) Revaluation reserve

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

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

iii) Fair value reserve

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

20 REVENUE

	Group	
	2017	**2016**
	$'000	**$'000**
Sales of health foods and supplements	**18,235**	14,131

21 INTEREST INCOME

	Group	
	2017	**2016**
	$'000	**$'000**
Short-term fixed deposits	**27**	40

22 OTHER INCOME

	Group	
	2017	**2016**
	$'000	**$'000**
Sundry income	**140**	142
Consignment fee	**–**	125
Management fee	**180**	–
License fee	**852**	–
Dividend income from investment securities	**–**	26
Others	**–**	25
	1,172	318

23 FINANCE COSTS

	Group	
	2017	**2016**
	$'000	**$'000**
Bank loan	**87**	75
Obligations under finance lease	**2**	1
Bank overdrafts	**42**	94
	131	170

24 INCOME TAX

Income tax recognised in profit of loss:

	Group	
	2017	**2016**
	$'000	**$'000**
Current income tax		
- Overprovision in respect of previous years	**(34)**	(79)
Deferred income tax		
- Origination and reversal of temporary differences (Note 13)	**37**	(139)
	3	(218)

Domestic income tax is calculated at 17 % (2016 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The reconciliation between tax and the product of accounting profit (loss) multiplied by the applicable corporate tax rate for the years ended January 31, 2017 and 2016 are as follows:

	Group	
	2017	**2016**
	$'000	**$'000**
Profit (Loss) before tax	**164**	(2,197)
Income tax expense (benefit) calculated at 17% (2016 : 17%)	**28**	(373)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(8)**	(33)
Adjustments:		
Non-deductible expenses	**1**	218
Income not subject to taxation	**(30)**	(15)
Effects of unused tax losses and tax offsets not recognised as deferred tax assets	**(13)**	20
Overprovision in respect of previous years	**(34)**	(79)
Others	**59**	44
Income tax expense (credit) recognised in profit or loss	**3**	(218)

24 INCOME TAX (cont'd)

Income tax relating to each component of other comprehensive income

	Group	
	2017	2016
	$'000	$'000
Deferred tax liability arising from revaluation of leasehold property	**(5)**	(102)

25 PROFIT (LOSS) FOR THE YEAR

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

	Group	
	2017	**2016**
	$'000	**$'000**
Audit fees paid to:		
- Auditors of the Company	**110**	110
- Other auditors	**1**	1
Non-audit fees paid to auditors of the Company	**24**	–
Employee benefits expense		
- Salaries and bonuses	**3,721**	3,251
- Central Provident Fund contributions	**507**	500
Directors' remuneration	**95**	41
Operating leases expense	**3,527**	3,663
Impairment of property, plant and equipment	**66**	–
Foreign exchange loss, net	**44**	82

26 EARNINGS (LOSS) PER SHARE

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

	Group	
	2017	**2016**
	$'000	**$'000**
Profit (Loss) attributable to equity holders of the Company	**161**	(1,979)
Number of shares ('000)	**30,000**	30,000
Earnings (Loss) per share - Basic (cents)	**0.54**	(6.60)

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

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

27 COMMITMENTS

(a) Operating lease commitments - as lessee

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

	Group	
	2017	**2016**
	$'000	**$'000**
Minimum lease payments paid under operating leases	**3,427**	3,512
Contingent rentals	**100**	151
	3,527	3,663

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

	Group	
	2017	**2016**
	$'000	**$'000**
Not later than one year	**2,506**	3,178
Later than one year but not later than five years	**2,176**	2,663
More than 5 years	**133**	–
	4,815	5,841

(b) Corporate guarantee

As at January 31, 2017, the Company provided a corporate guarantee to a bank for loans (Note 16) taken by subsidiaries. No adjustment was required in the separate financial statements of the Company to recognise the financial guarantee liability as based on expectations at the end of the reporting period, the Group considered that it is more likely than not that no amount will be payable under the arrangement.

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

28 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.

28 SEGMENT INFORMATION (cont'd)

	Health Food Trade		Corporate		Total	
	2017	2016	2017	2016	2017	2016
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue:						
External customers	**18,235**	14,131	**–**	–	**18,235**	14,131
Results:						
Interest income	**–**	–	**27**	40	**27**	40
Dividend income	**–**	–	**–**	26	**–**	26
Management fee	**–**	–	**180**	–	**180**	–
Depreciation expense	**415**	293	**–**	–	**415**	293
Impairment loss	**66**	–	**–**	–	**66**	–
Other non-cash expenses	**32**	386	**–**	–	**32**	386
(Loss) Profit before tax	**288**	(1,900)	**(124)**	(297)	**164**	(2,197)
Assets:						
Additions to non-current assets	**389**	421	**–**	–	**389**	421
Segment assets	**12,761**	10,985	**3,428**	4,020	**16,189**	15,005
Segment liabilities	**5,242**	4,300	**81**	92	**5,323**	4,392

Geographical information

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

	Revenue		Non-current asset	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Singapore	**12,221**	13,797	**2,665**	2,553
Malaysia	**39**	206	**–**	–
China	**5,975**	128	**145**	152
	18,235	14,131	**2,810**	2,705

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

Information about major customers

Included in revenue arising from sales of health products are revenues of approximately $5,576,000 (2016: $Nil) which arose from sales to the Group's largest customer. There were no other customers (2016: Nil) which revenues from transactions with a single customer amount to 10 per cent or more. There were no inter-segment sales in the year (2016: $Nil).

29 DIVIDENDS

	Group and Company	
	2017	2016
	$'000	$'000
Declared and paid during the financial year:		
Dividends on ordinary shares		
- Final exempt (one-tier) for 2016 at Nil cents per share (2016 : for 2015 at 0.20 cents per share)	–	300

SHARE CAPITAL AS AT 17 APRIL 2017

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

SUMMARY OF SHAREHOLDINGS BY SIZE AS AT 17 APRIL 2017

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF TOTAL ISSUED SHARES
1 to 99	33	10.61	499	0.00
100 to 1,000	172	55.31	119,118	0.40
1,001 to 10,000	81	26.05	264,800	0.88
10,001 to 1,000,000	22	7.07	1,431,956	4.77
1,000,001 AND ABOVE	3	0.96	28,183,620	93.95
TOTAL	311	100	29,999,993	100

TWENTY LARGEST SHAREHOLDERS AS AT 17 APRIL 2017

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1	DBS NOMINEES PTE LTD	25,621,120	85.40
2	MAYBANK KIM ENG SECURITIES PTE LTD	1,504,800	5.02
3	RHB SECURITIES SINGAPORE PTE LTD	1,057,700	3.53
4	LIM GIM SENG	330,800	1.10
5	RON NG GUAN HEONG	231,900	0.77
6	UOB KAY HIAN PTE LTD	221,000	0.74
7	PEH CHIN CHIONG	130,000	0.43
8	GOH POH CHOO	80,000	0.27
9	LIM THIAN HOCK @ LIM THIAM HOCK	69,000	0.23
10	OCBC SECURITIES PRIVATE LTD	49,000	0.16
11	YIT TENG YUET	44,000	0.15
12	LU SHUISHAN	36,000	0.12
13	LIM TIEW FANG	33,000	0.11
14	CHONG CHIN CHIN (ZHANG JINGJING)	32,000	0.11
15	CHONG KIAN CHUN (ZHANG JIANJUN)	32,000	0.11
16	MANOHAR P SABNANI	20,000	0.07
17	CHNG KAI PENG	18,000	0.06
18	OU YANG YAN TE	16,656	0.05
19	WONG LEONG KEE	15,000	0.05
20	LEE YAN TECK	13,600	0.04
		29,555,576	98.52

Analysis of Shareholdings

SUBSTANTIAL SHAREHOLDERS AS AT 17 APRIL 2017

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

DIRECTORS' INTEREST AS AT 17 APRIL 2017

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

Note:-

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

PERCENTAGE OF PUBLIC SHAREHOLDING

Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX") requires that at least 10% of the equity securities (excluding preference shares and convertible equity securities) of a listed company in a class that is listed is at all times held by the public. Based on information available to the Company as at 17 April 2017, the Company complies with Rule 723 that 16.64% of its ordinary shares listed on the SGX were held by the public.

List of Properties Held

as at 31 January 2017

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

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("**AGM**") of **Camsing Healthcare Limited** (the "**Company**") will be held at Shenton Way SGX Centre 2 #17-01, Singapore 068807 on Monday, the 29th day of May 2017 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and, if approved, adopt the Audited Accounts for the financial year ended 31 January 2017 together with the Directors' Report and Auditors' Report thereon. ***(Resolution 1)***

2. To approve the payment of Directors' fees of up to HKD 360,000 (approximately S$ 64,750) for the financial year ending 31 January 2018, to be paid quarterly in arrears. ***(Resolution 2)***

3. To re-elect Ms. Lo Ching who is retiring under Articles 90 and 91 of the Articles of Association, as Director of the Company. ***(Resolution 3)***

4. To re-elect Mr. Ong Wei Jin who is retiring under Articles 90 and 91 of the Articles of Association, as Director of the Company. ***(Resolution 4)***
   [See Explanatory Note (i)]

5. To re-appoint Messrs Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. ***(Resolution 5)***

6. 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:-

7. **General mandate to allot and issue new shares in the capital of the Company**

   That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "Act") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Listing Manual**"), authority be and is hereby given to the Directors of the Company to:-

   (A) (i) issue shares in the capital of 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) warrants, debentures or other instruments convertible or exchangeable into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (B) (notwithstanding the authority conferred by this Resolution may have been ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

   provided that:

   (i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution):

   a. by way of a pro-rata renounceable rights issue ("**Renounceable Rights Issues**") to Shareholders of the Company shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (iii) below);

b. otherwise than by way of Renounceable Rights Issues ("**Other Share Issues**") does not exceed fifty per cent (50%) of the total issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent (20%) of the total issued Shares (excluding treasury shares) in the capital of the company at the (as calculated in accordance with sub-paragraph (iii) below);

(ii) the Renounceable Rights Issues and Other Share Issues shall not, in aggregate exceed 100 per centum (100%) of the total number of issued shares excluding treasury shares (as calculated in sub-paragraph (iii) below);

(iii) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraphs (i)(a) and (i)(b) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

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

(b) new Shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and

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

(iv) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and Articles of Association for the time being of the Company; and

(v) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution 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 the earlier.
[See Explanatory Note (ii)] ***(Resolution 6)***

BY ORDER OF THE BOARD

Lo Ching
Executive Chairman

SINGAPORE
12 May 2017

Notice of Annual General Meeting

Explanatory Notes:

(i) If re-elected under Resolution 4, Mr. Ong Wei Jin will remain as a member of the Audit Committee, the Remuneration Committee and the Nominating Committee.

(ii) The Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors of the Company to issue shares and convertible securities in the Company up to a maximum of fifty per cent (50%) of the issued share capital of the Company (of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to existing shareholders shall not exceed twenty per cent (20%) of the issued share capital of the Company) for the purposes as they consider would be in the interest of the Company, save that issues of shares pursuant to a pro-rata renounceable rights issue shall not exceed one hundred per cent (100%) of the issued share capital of the Company (excluding treasury shares) (the "Enhanced Rights Issue Limit"). This authority will continue in force until the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting is required to be held, whichever is the earlier, unless the authority is previously revoked or varied at a general meeting.

The authority for the Enhanced Rights Issue Limit is proposed pursuant to the Practice Note 8.3 issued by the SGX-ST on 13 March 2017 which introduced measures aimed at helping companies raise funds expediently for expansion activities or working capital and will be in effect until 31 December 2018 by which date the shares issued pursuant to the Enhanced Rights Issue Limit must be listed. The Board of the Company is of the view that the Enhanced Rights Issue Limit is in the interests of the Company and its Shareholders. The Enhanced Rights Issue Limit will be exercised only if the Directors believe that to do so would be likely to promote the success of the Company for the benefit of shareholders as a whole.

Notes:

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

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

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

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

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

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

Personal Data Privacy:

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

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

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

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

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

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

*I/We ______________________________ (Name)

of ______________________________ (Address)

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

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

*and/or

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

or failing *him/her/them, the Chairman of the Annual General Meeting ("**AGM**") of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the AGM of the Company to be held at 4 Shenton Way SGX Centre 2 #17-01, Singapore 068807 on 29 May 2017 at 11.00 a.m. and at any adjournment thereof.

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

* Please delete accordingly

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

No.	Resolutions relating to:	For	Against
	Ordinary Business		
1.	Adoption of Audited Accounts for the financial year ended 31 January 2017 together with the Directors' Report and Auditors' Report thereon		
2.	Payment of Directors' fees of up to HKD 360,000 (approximately S$ 64,750) for the financial year ending 31 January 2018, to be paid quarterly in arrears		
3.	Re-election of Ms. Lo Ching as a Director of the Company		
4.	Re-election of Mr. Ong Wei Jin as a Director of the Company		
5.	Re-appointment of Messrs Deloitte & Touche LLP as the Auditors of the Company and authorise the Directors to fix their remuneration		
	Special Business		
6.	Authority to Directors to allot and issue new shares pursuant to Section 161 of the Companies Act, Cap. 50		

Dated this 12th day of May 2017.

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

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

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

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

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

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

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

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

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

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

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

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

8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Directory of Nature's Farm Retail Outlets

NORTH

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

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

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

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

SOUTH / CENTRAL

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

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

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

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

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

EAST

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

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

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

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

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

WEST

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

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

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

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

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

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