CAMSING HEALTHCARE LIMITED

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

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 JULY 2021

Pursuant to a notice of compliance issued by Singapore Exchange Regulation dated 6 February 2020, Camsing Healthcare Limited is required, under Rule 705(2C) of the Mainboard Rules of the Singapore Exchange Securities Trading Limited, to perform quarterly reporting of financial results.

Please refer to the reasons and circumstances leading to the delayed release of this set of financial results announcement for the six months ended 31 July 2021 ("**6M2022**") as set out in our unaudited financial results for the full year ended 31 January 2019 ("**FY2019**") released via SGXNET on 4 December 2021.

Contents

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 JULY 2021

	Note	6 Months Ended 31 Jul 2021 S$'000	6 Months Ended 31 Jul 2020 S$'000	Change % +/-
Revenue	5	2,815	2,772	2%
Cost of sales		(1,365)	(1,157)	15%
Gross Profit		1,450	1,615	(11%)
Other income and gains		355	360	(2%)
Marketing and distribution costs		(1,870)	(1,935)	(3%)
General and administrative and other operating expenses		(436)	(590)	(35%)
Finance costs		(51)	(104)	(104%)
Loss Before Tax	7	(552)	(654)	(19%)
Income tax expense		-	-	
Loss for the Period		(552)	(654)	(19%)
Other Comprehensive Income/(Loss):				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation		1	(4)	N.M
Other Comprehensive Income/(Loss), Net of Tax		1	(4)	N.M
Total Comprehensive Loss for the Period		(551)	(658)	(19%)
Loss Attributable to:				
Owners of the Company		(552)	(654)	(18%)
Non-controlling interest		-	-	
		(552)	(654)	(18%)
Total Comprehensive Loss Attributable to:				
Owners of the Company		(551)	(658)	(19%)
Non-controlling interest		-	-	
		(551)	(658)	(19%)

N.M.: Not Meaningful

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 31 JULY 2021

		Group		Company	
	Note	31 Jul 2021 S$'000	31 Jan 2021 S$'000	31 Jul 2021 S$'000	31 Jan 2021 S$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment		200	230	-	-
Right-of-use assets	11	2,117	1,210	-	-
Investment in subsidiaries		-	-	900	900
Other receivables	13	256	256	-	-
Deferred tax assets		-	-	-	-
		2,573	1,696	900	900
Current Assets					
Inventories	12	654	720	-	-
Trade receivables	13	37	116	-	-
Other receivables	13	411	817	112	134
Cash and cash equivalents		468	735	51	51
		1,570	2,388	163	185
TOTAL ASSETS		4,143	4,084	1,063	1,085
Current Liabilities					
Trade payables	14	1,245	536	-	-
Other payables	14	1,649	1,847	761	614
Provisions		-	12	-	-
Lease liabilities		1,879	1,514	-	-
Loans and borrowings	15	1,060	1,300	-	-
		5,833	5,209	761	614
Non-Current Liabilities					
Lease liabilities		672	672	-	-
Provisions		189	203	-	-
Deferred tax liabilities		20	20	-	-
		881	895	-	-
TOTAL LIABILITIES		6,714	6,104	761	614
NET (LIABILITIES) /ASSETS		(2,571)	(2,020)	302	471

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2021 (cont'd)

		Group		Company	
	Note	31 Jul 2021 S$'000	31 Jan 2021 S$'000	31 Jul 2021 S$'000	31 Jan 2021 S$'000
EQUITY					
Capital and Reserves Attributable to Equity Holders of the Company					
Share capital	16	14,250	14,250	14,250	14,250
Foreign currency translation deficit		(18)	(19)	-	-
Revaluation reserve		-	-	-	-
Accumulated losses		(16,801)	(16,249)	(13,947)	(13,779)
Equity attributable to owners of the Company		(2,569)	(2,018)	303	471
Non-controlling interests		(2)	(2)	-	-
NET (DEFICIT)/ EQUITY		(2,571)	(2,020)	303	471

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 JULY 2021

Group	Share Capital S$"000	Foreign Currency Translation Reserve S$"000	Accumulated Losses S$"000	Equity Attributable to Owners of the Company S$"000	Non-Controlling Interest S$"000	Total S$"000
Balance at 1 February 2021	14,250	(19)	(16,249)	(2,018)	(2)	(2,020)
Loss for the period	-	-	(552)	(552)	-	(552)
Other comprehensive income for the period	-	1	-	1	-	1
Total comprehensive loss for the period	-	1	(552)	(551)	-	(551)
Balance at 31 July 2021	14,250	(18)	(16,801)	(2,569)	(2)	(2,571)
Balance at 1 February 2020	14,250	(18)	(15,421)	(1,189)	(1)	(1,190)
Loss for the period	-	-	(654)	(654)	-	(654)
Other comprehensive loss for the period	-	(4)	-	(4)	-	(4)
Total comprehensive loss for the period	-	(4)	(654)	(658)	-	(658)
Balance at 31 July 2020	14,250	(22)	(16,075)	(1,847)	(1)	(1,848)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 JULY 2021 (cont'd)

Company	**Share Capital S$'000**	**Accumulated Losses S$'000**	**Total S$'000**
Balance at 1 February 2021	14,250	(13,779)	471
Loss for the period, representing total comprehensive loss for the period	-	(168)	(168)
Balance at 31 July 2021	14,250	(13,947)	303
Balance at 1 February 2020	14,250	(10,187)	4,063
Loss for the period, representing total comprehensive loss for the period	-	(188)	(188)
Balance at 31 July 2020	14,250	(10,375)	3,875

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 JULY 2021

	6 Months Ended 31 Jul 2021 S$'000	6 Months Ended 31 Jul 2020 S$'000
Operating Activities:		
Loss Before Tax	(552)	(654)
Adjustments For:		
Depreciation for Property, Plant and Equipment	56	93
Depreciation for Right-Of-Use Assets	650	768
Property, Plant and Equipment Written Off	5	8
Gain on Lease Modification	(239)	-
Interest Expense	51	104
Rent Concessions and Rebate	(14)	-
Operating Cash Flows before Changes in Working Capital	(43)	319
Trade and Other Receivables	524	223
Inventories	66	402
Provisions	(14)	-
Trade and Other Payables	198	123
Cash Generated from Operations	731	1,067
Income Tax	(39)	-
Net Cash Flows from Operating Activities	692	1,067
Investing Activities:		
Purchase of Property, Plant and Equipment	(31)	-
Net Cash Flows Used in Investing Activities	(31)	-
Financing Activities:		
Amount due to controlling shareholder	300	-
Repayment of Loans and Borrowings	(240)	(62)
Repayment of Lease Liabilities	(937)	(355)
Interest Paid	(51)	(104)
Net Cash Flows Used in Financing Activities	(928)	(521)
Net (Decrease)/Increase in Cash and Cash Equivalents	(267)	546
Cash and Cash Equivalents at Beginning of Finance Period	735	663
Cash and Cash Equivalents at End of Financial Period	468	1,209

1 GENERAL INFORMATION

Camsing Healthcare Limited (the "Company" and together with its subsidiaries, the "Group") is a limited liability company domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The address of the Company's registered office is at 24 Raffles Place #20-03 Clifford Centre, Singapore 048621. The address of its principal place of business is 10 Kaki Bukit Ave 1 #04-05 Kaki Bukit Industrial Park Singapore 417942. The principal activity of the Company is that of investment holding. The principal activity of its principal subsidiary, Nature's Farm Pte Ltd ("NF"), is trading in health foods and supplements.

2 BASIS OF PREPARATION

The condensed interim financial statements for the six months ended 31 July 2021 are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") – 34 *Interim Financial Reporting*. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the change in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 31 January 2021. The financial statements are presented in Singapore dollars ("$") and all values are rounded to the nearest thousand ($'000) as indicated.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I), except for the adoption of new and revised standards as set out below.

2.1 Adoption of New and Revised Standards

In the current financial period, the Group has adopted the new and revised SFRS(I) and Interpretations of SFRS(I) ("SFRS(I) INT") that are relevant to its operations and effective for the current financial period. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT. The adoption of these new and revised SFRS(I) and SFRS(I) INT did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the financial results or position.

2.2 Special Audit of the Group

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

As of the date of these financial statements, the independent review in respect of certain internal control matters and certain business processes as recommended by the special auditors is still on-going.

2.3 Fundamental Accounting Concept

The Group incurred a net loss of S$551,000 (31 July 2020: S$658,000) for the financial period ended 31 July 2021. As at 31 July 2021, the Group had bank borrowings and cash and bank balances amounted to approximately S$1,060,000 and S$ 468,000 (31 Jan 2021: S$1,300,000 and S$735,000) respectively as well as a net equity deficit of S$2,571,000 (31 Jan 2021: S$2,020,000).

2 BASIS OF PREPARATION (cont'd)

2.3 Fundamental Accounting Concept (cont'd)

As disclosed in Note 11 of the financial statements for the financial year ended 31 January 2021, two subsidiaries of the Group have breached certain bank covenants and defaulted on the repayment of bank loans since 31 January 2019. By a letter of demand dated 27 August 2019, the bank demanded repayment of bank borrowings (including accrued interest thereon and other charges) owing by the Group. Subsequently, the Group fully repaid one of the outstanding bank loans amounting to S$316,000 by September 2021 and managed to seek the agreement of the bank to restructure the repayment of the remaining balance. As at date of this report, the Group still owes the bank a remaining loan balance of approximately S$815,000 and is in the process of formalizing the repayment plan with the bank for the remaining indebtedness.

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

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

(ii) In October 2021, the Group obtained an unsecured working capital loan of $300,000 from an independent party ("Investor") who has expressed interest in investing in the Company. In December 2021 and February 2022, the Investor extended further working capital loans of $400,000, and $600,000 respectively to the Group. Such working capital loans have since been formalised in a loan agreement dated 25 December 2021.

(iii) In December 2021, the Company entered into an investment agreement and a loan agreement ("First Loan Agreement") with the Investor wherein the Investor would be extending and injecting substantial sums of funds to the Company subject to the satisfaction of certain conditions as stipulated in the agreements.

(iv) Despite the unprecedented challenges brought about by the Covid-19 pandemic, the sole operating subsidiary of the Group, NF, has managed to significantly reduce its operating losses (disregarding the non-recurrent impairments and/or write-offs) from the previous financial year by augmenting the distribution of its products (such as through e-commerce channel) and rationalising its physical outlets to minimise overheads.

(v) As announced via SGXNet on 3 March 2022, the Company entered, among others, a second loan agreement ("Second Loan Agreement") with the Investor. Pursuant to and subject to the terms and conditions of the Second Loan Agreement, the Investor shall loan to the Company up to an aggregate principal amount of $2,990,000 for purchase of healthcare supplements and other operational or working capital purposes. As of the date of the Announcement, the Company has received approximately S$1.9million from the Investor pursuant to the Second Loan Agreements.

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

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

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

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

(a) Impairment of property, plant and equipment ("PPE") and right-of-use ("ROU") assets

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

Further, management identified certain loss-making retail outlets ("Outlets") and carried out an impairment assessment of the ROU assets using value-in-use basis, taking into consideration of, among others, current and future market conditions, subsequent sales and cashflows generated by the Outlets, and projected sales for the remaining lease terms of the Outlets.

(b) Impairment of investment in subsidiaries

The Company assesses at each reporting date whether there is an indication that its investment in subsidiaries may be impaired. The Company's carrying amount of the investment in subsidiaries, net of impairment losses, relates primarily to the investment in its principal subsidiary NF, held through William Jacks & Company (Singapore) Private Limited. During the financial year ended 31 January 2021, the Group engaged an independent valuer to perform an impairment assessment of its investment in NF, using the discounted cash flows method to estimate NF's recoverable amount (based on its value-in-use).

(c) Impairment of financial assets

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

(d) Allowance for inventory obsolescence

Allowance for inventory obsolescence is estimated based on the available facts and circumstances, including but not limited to, the inventories' physical conditions and expiry dates, 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.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (cont'd)

(e) Determination of lease terms

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

4 SEASONAL OPERATIONS

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period.

5 REVENUE

	6 Months Ended 31 Jul 2021 S$'000	6 Months Ended 31 Jul 2021 S$'000
Sales of health foods and supplements	2,766	2,732
Consignment income	49	40
	2,815	2,772

6 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.

6 SEGMENT INFORMATION (Cont'd)

Business Segments	Health Food Trade		Corporate		Consolidated	
	6 Months Ended 31 Jul 2021 S$'000	6 Months Ended 31 Jul 2020 S$'000	6 Months Ended 31 Jul 2021 S$'000	6 Months Ended 31 Jul 2020 S$'000	6 Months Ended 31 Jul 2021 S$'000	6 Months Ended 31 Jul 2020 S$'000
Revenue:						
External customers	2,815	2,772	-	-	2,815	2,772
Results:						
Depreciation of property, plant and equipment	(56)	(93)	-	-	(56)	(93)
Depreciation for right-of-use assets	(650)	(768)	-	-	(650)	(768)
Property, plant and equipment written off	(5)	(8)	-	-	(5)	(8)
Interest expenses	(51)	(104)	-	-	(51)	(104)
Loss before tax	(349)	(442)	(203)	(212)	(552)	(654)
Assets:						
Segment assets	3,938	4,807	205	250	4,143	5,057
Segment liabilities	(4,738)	(6,546)	(1,976)	(352)	(6,714)	(6,898)

6 SEGMENT INFORMATION (Cont'd)

Geographical information

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

	Revenue		Non-current assets	
	6 Months Ended 31 Jul 2021 S$'000	6 Months Ended 31 Jul 2020 S$'000	As At 31 Jul 2021 S$'000	As At 31 Jul 2020 S$'000
Singapore	2,815	2,765	2,573	2,619
Overseas	-	7	-	-
	2,815	2,772	2,573	2,619

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

7 LOSS BEFORE TAX

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

	6 Months Ended 31 Jul 2021 S$'000	6 Months Ended 31 Jul 2020 S$'000
Audit fees paid to:		
- Auditors of the Company	25	22
- Other auditors of the Company	79	115
Employee benefits expense	851	993
Depreciation of property, plant and equipment	56	93
Depreciation on right-of-use assets	650	768
Lease expenses not included in lease liabilities:		
- Variable lease expenses	36	19
Property, plant and equipment written off	5	8
Interest expenses	51	104
Foreign exchange loss/ (gain)	10	10
Gain on lease modification	(239)	-
Government grant income	(68)	(306)
Rent concessions and rebate	(14)	-

8. 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.

	6 Months Ended 31 Jul 2021 S$'000	6 Months Ended 31 Jul 2020 S$'000
Compensation of key management personnel		
Short-term employee benefits		
- Director of a subsidiary	54	53

9 LOSS PER SHARE

Loss per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	6 Months Ended 31 Jul 2021	6 Months Ended 31 Jul 2020
Loss per share (in SGD cents)		
- Basic [(1)]	(1.84)	(2.18)
- Fully diluted [(2)]	(1.84)	(2.18)

[(1)] Basic loss/ earnings per share ("**EPS**") is calculated on the Group's loss for the period divided by the weighted average number of ordinary shares in issue during the reporting period of 29,999,993 shares (31 Jul 2020: 29,999,993 shares).

[(2)] As there are no dilutive potential ordinary shares issued and/or granted, the fully diluted EPS is the same as the basic EPS.

10 FINANCIAL INSTRUMENTS

	Group		Company	
	31 Jul 2021 S$'000	31 Jan 2021 S$'000	31 Jul 2021 S$'000	31 Jan 2021 S$'000
Financial assets at amortised cost	1,001	1,572	110	131
Financial liabilities at amortised cost	6,671	5,829	761	614

11 RIGHT-OF-USE ASSETS

Group	Office Premise and Retail Outlets S$'000
Cost	
As at 1 Feb 2020	6,073
Additions	28
Lease modification	674
Early termination	(284)
Expiry	(558)
As at 31 Jan 2021	5,933
As at 1 Feb 2021	5,933
Additions	1,557
Lease modification	(137)
Early termination	(537)
As at 31 Jul 2021	6,816
Accumulated depreciation and impairment loss	
As at 1 Feb 2020	3,906
Charge	1,488
Impairment loss	171
Early termination	(284)
Expiry	(558)
As at 31 Jan 2021	4,723
As at 1 Feb 2021	4,723
Charge	650
Lease modification	(137)
Early termination	(537)
As at 31 July 2021	4,699
Net carrying amount	
As at 31 Jan 2021	1,210
As at 31 Jul 2021	2,117

12 INVENTORIES

	Group		Company	
	31 Jul 2021 S$'000	31 Jan 2021 S$'000	31 Jul 2021 S$'000	31 Jan 2021 S$'000
Health foods and supplements:				
Raw materials	184	28	-	-
Finished goods	470	639	-	-
Goods in transit	-	53	-	-
	654	720	-	-

13 TRADE AND OTHER RECEIVABLES

	Group		Company	
	31 Jul 2021 S$'000	31 Jan 2021 S$'000	31 Jul 2021 S$'000	31 Jan 2021 S$'000
Current				
Trade receivables	37	116	-	-
			-	-
Other receivables				
- Rental deposits	212	314	-	-
- Deferred lease payments	22	22	-	-
- Prepayments	137	68	53	54
- Advances to former directors	-	59	59	59
- Amount due from a subsidiary	-	-	-	21
- Sundry receivables	40	786	-	-
- Advance payment to suppliers		251	-	-
- Government grant receivables		40	-	-
	411	1,540	112	134
Impairment loss allowance	-	(723)	-	-
	411	817	112	134
Non-current:				
- Rental deposits	245	245	-	-
- Deferred lease payments	11	11	-	-
	256	256	-	-

14 TRADE AND OTHER PAYABLES

	Group		Company	
	31 Jul 2021 S$'000	31 Jan 2021 S$'000	31 Jul 2021 S$'000	31 Jan 2021 S$'000
Trade payables	1,245	536	-	-
Accrued expenses	746	790	269	285
Other payables	603	1,017	12	329
Deferred government grant income	-	40	-	-
Amount due to controlling shareholder	300	-	-	-
Amount due to subsidiaries	-	-	480	-
	1,649	1,847	761	614

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

15 LOANS AND BORROWINGS

	Group		Company	
	31 Jul 2021 S$'000	31 Jan 2021 S$'000	31 Jul 2021 S$'000	31 Jan 2021 S$'000
Current				
Term loans	1,060	1,300	-	-

These borrowings are supported by corporate guarantee provided by the Company and a subsidiary of the Company. In view of a breach of certain financial covenants and default in repayment at the reporting date, the entire outstanding balance of the bank loans had been classified as current liabilities in accordance with the requirements of SFRS(I) 1-1 *Presentation of Financial Statements*.

16 SHARE CAPITAL

	Group and Company			
	31 Jul 2021		31 Jan 2021	
	Number of ordinary shares	S$'000	Number of ordinary shares	S$'000
Issued and fully paid:				
At beginning and end of period/year	29,999,993	14,250	29,999,993	14,250

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

17 NET ASSET VALUE

Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) currently period reported on and (b) immediately preceding financial year

	Group		Company	
	As at 31 Jul 2021	As at 31 Jan 2021	As at 31 Jul 2021	As at 31 Jan 2021
	Cents	Cents	Cents	Cents
Net (liabilities) / assets per ordinary share based on existing issued share capital as at the end of the period	(8.57)	(6.73)	1.01	1.57

Net (liability) / asset value per ordinary share was based on 29,999,993 (31 Jan 2021: 29,999,993) ordinary shares outstanding as at end of the reporting period.

18 SUBSEQUENT EVENTS

There are no known significant subsequent events which have led to adjustment to this set of interim financial statements.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C OF THE CATALIST RULES

19A Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There have been no changes in the Company's share capital since the end of the previous period reported.

19B The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31 Jul 2021 Number of ordinary shares	31 Jan 2021 Number of ordinary shares
Number of issued shares	29,999,993	29,999,993

19C A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company does not have any treasury shares.

20 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the auditors.

21 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

21A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed

The auditors have rendered an "except for" qualified opinion on the latest audited financial statements for the financial year ended 31 January 2021 ("**FY2021**") via their report dated 14 April 2022. The audit qualifications stem mainly from the following areas:

(i) Opening balances of certain items and special audit of the Group

(ii) Consignment sales with I-Nitra

Opening balances

The auditors' reservations on certain opening balances for FY2021 arose from their previous audits for FY2019 and FY2020 when they were first appointed in November 2021 to undertake those audits after the release of the special audit report dated 1 September 2020 and that they were not given access to any relevant and substantive working papers relating to FY2018 by the predecessor auditors. More specifically, these opening balances for FY2021 refer to balances of inventories, investment in Nature's Farm, amount owing to I-Nitra and accumulated losses account as at 1 February 2020. Nonetheless, as the auditors have satisfied themselves with the closing balances of these balance sheet items as at 31 January 2021, the auditors would also be satisfied with these opening balances in respect of the FY2022 audit except for the amount owing to I-Nitra as more fully described below.

Consignment arrangements with I-Nitra

The auditors have expressed reservations on the commercial substance or business rationale of the consignment arrangements given that such arrangements were initially highlighted in the special audit report as potentially round-tripping. However, the special auditors had eventually found and concluded in their report that there was no round-tripping involved. The Company has duly disclosed its position regarding the consignment arrangements (including the purported amounts owing to I-Nitra) and the pertinent findings and conclusion of the special auditors in Note 10 to the FY2021 audited financial statements and in paragraph 14 of this announcement. Nevertheless, the Company is conferring with the auditors to see how this audit qualification can be better addressed going forward.

22 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the revenue, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets and liabilities of the group during current financial period reported on.

Review of Results

The Group's revenue of S$2,815,000 for the six months ended 31 July 2021 ("6M2022") were generated from local retail sales. The increase in the revenue by S$43,000 or 2% compared to the six months ended 31 July 20220 ("6M2021") were mainly due to the gradually recovery of retail business during the period under review.

The gross margin decreased from 58% to 52% due to an increase in purchase costs of goods and higher freight charges.

Other income comprises mainly rental rebates from landlords of S$14,000, job support scheme and wage credits of S$68,000 from the government in view of the Covid-19 pandemic as well as gain on lease modifications of S$239,000 for the 6M2022.

Marketing and distribution expenses decreased by 65,000 or 3% from S$1,935,000 in 6M2021 to S$1,870,000 in 6M2022. The decrease in marketing and distribution costs was mainly due to lower in staff costs and lower depreciation of right-of-use assets, offset by increases in marketing and advertisement expenses.

General and administrative expenses decreased by S$154,000 or 35% from S$590,000 in 6M2021 to S$436,000 in 6M2022, primarily due to higher professional fees incurred in 6M2021.

The reduced finance costs in 6M2022 were due mainly to the higher amount of interest on lease liabilities being recognised in 6M2021 when SFRS(I) 16 was first adopted.

The Group recorded a loss before tax for S$552,000 in 6M2022 compared to S$654,000 in 6M2021, decreased by S$102,000 were attributable to the increase in revenue from retail business as well as decrease in expenses.

Review of Statement of Financial Position Review

The Group's non-current assets stood at S$2,573,000 as at 31 July 2021, compared to S$1,696,000 as at 31 January 2021, and comprised property, plant and equipment, right-of-use assets and other receivables. The increase of S$877,000 was mainly attributable to addition of right-of-use assets of S$907,000 due to the renewal of tenancy agreements, offset by the depreciation of such assets during 6M2022.

The Current assets stood at S$1,570,000 as of 31 July 2021, compared to S$2,388,000 as of 31 January 2021. Overall, the decrease of S$818,000 in current assets was mainly due to the decreases of S$66,000 in inventory, S$79,000 in trade receivables, S$406,000 in other receivables and S$267,000 in cash at bank. The decrease in other receivables was due to refund of rental deposits as a few outlets were closed during the period under review.

Review of Statement of Financial Position Review (cont'd)

The net increase of S$624,000 in current liabilities was mainly due to increases of S$709,000 in trade payables, and S$365,000 in lease liabilities, offset by decreases in other payables of S$198,000, loans and borrowings of S$240,000 and provision of S$12,000. The higher trade payables were due to delay in the payment to suppliers in 6M2022. The decrease in other payables and loans and borrowings are mainly due to the settlement and repayment.

The decrease of S$14,000 in non-current liabilities was mainly due to decrease in provision of S$14,000 for reinstatement cost.

Overall, the Group's net liabilities stood at S$2,571,000 as of 31 July 2021, compared to S$2,020,000 as of 31 January 2021.

Review of Cash Flow

The Group recorded net cash flows generated from operating activities of S$692,000 in 6M2022, as compared to net cash flows generated from operating activities of S$1,067,000 in 6M2021. The decrease in cash flow generated from operating activities was mainly attributable to gain on lease modification, lower inflow from inventory and income tax paid in 6M2022, offset by higher inflow from receivables and payables.

The net cash flows used in investing activities of S$31,000 in 6M2022 was due to purchase of property, plant, and equipment.

The net cash flows used in financing activities of S$928,000 in 6M2022, as compared to S$521,000 in 6M2021 was mainly attributable to higher outflow of repayment of lease liabilities.

On account of the above, the Group's cash and cash equivalents in the consolidated statement of cashflows comprise cash and bank balances of S$468,000 as of 31 July 2021.

23 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, the issuer must explain any variance between the forecast or prospect statement and the actual results

No forecast or prospect statement has been previously disclosed to shareholders.

24 Commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

While the business activities in general are gradually showing signs of improvement in recent months upon easing of domestic Covid-19 related restriction and border reopening, the effects and impact of pandemic on the Singapore economy (especially the severely affected retail sector) remained slow in recovery.

The Group will continue to persevere and intensify its effort in optimizing its business operations amidst this challenging time. The Group will continue to leverage on its online presence to garner more sales, identify new markets as well as expand the product range to cater for post-pandemic wellness and health needs.

As announced via SGXNET on 27 December 2021, the Company had entered into an investment agreement and a loan agreement ("First Loan Agreement"), both dated 25 December 2021, with an independent party (the "Investor") wherein the Investor will be extending fresh funds to the Company subject to the satisfaction of certain conditions as set out therein. In view of some imminent business opportunities (including expanding the range of products and business coverage) and its operational needs, on 3 March 2021, the Company had entered into, among others, a second loan agreement ("Second Loan Agreement") with the Investor. Pursuant to and subject to the terms and conditions of the Second Loan Agreement, the Investor shall loan to the Company up to an aggregate principal amount of $2.99 million for purchase of healthcare supplements and other operational or working capital purposes. Please refer to the aforementioned announcements for more details.

25 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date Payable

Not applicable.

(d) Books Closure Date

Not applicable.

26 If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the current financial period as the Company and/or the Group recorded net losses for the financial period under review.

27 If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

During the financial period under review, the Group did not have a general mandate pursuant to Rule 920 of the SGX-ST Listing Manual. There were no Interested Person Transactions exceeding $100,000 in aggregate value for the current financial period.[1]

28 Report of persons occupying managerial positions who are related to a director, chief executive officer or substantial shareholder Pursuant to Rule 704 (13)

The Board confirms that, to the best of its knowledge, as of the date hereof, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a Director, Chief Executive Officer or Substantial Shareholder of the Company.

29 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

Pursuant to Rule 720(1) of the Listing Manual, the Company has procured undertakings from all its directors and executive officers.

30 Negative confirmation by the Board pursuant to Rule 705(5)

On behalf of the board of directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board which may render the unaudited financial statements and dividend announcement for the six months ended 31 July 2021 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

LIU HUI
Executive Director
10 June 2022

[1] In arriving at the conclusion, the Board wishes to state for the record that it did not include the transactions with Caring Global Health Management (Beijing) Co., Ltd, Global Biotech Medical Inc., Limited, I-Nitra Consulting Limited as interested person transactions as RSM did not conclude these three companies as interested persons after their extensive investigation from April 2019 to September 2020. Please refer to the ES-SAR released by Company on 1 September 2020 via SGXNet.