

Issuer: Camsing Healthcare Limited

Security: Camsing Healthcare Limited

Meeting details:

Date: 29 May 2017

Time: 10:00H

Venue: 4 Shenton Way SGX Centre 2 #17-01, Singapore 068807

Company Description

Camsing Healthcare Limited, an investment holding company, engages in the distribution and retailing of health supplements and foods. The company offers vitamins and minerals, organic foods, and weight management and sports nutrition products; antioxidants and immunity boosters; and supplements that support joint, bone, liver, heart, and digestive health, as well as beauty products. It operates through 23 retail outlets in Singapore and 2 retail outlets in Brunei, as well as operates in China under the Nature's Farm brand. The company was formerly known as Jacks International Limited and changed its name to Camsing Healthcare Limited in March 2016. The company was incorporated in 1979 and is based in Singapore. Camsing Healthcare Limited is a subsidiary of Creative Elite Holdings Limited.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=BAC)

Q1. In the Review of Operations (pages 4 to 6 of the annual report), the Chairman has highlighted the company’s strategies to leverage e-commerce to “reach out to a wider consumer pool” and to refresh the Nature’s Farm brand to stay relevant to the “younger generation of consumers who are in the 20s to 40s”. The group has made good progress on its online strategy as it has established its presence in major e-commerce platforms such as Redmart, Qoo10 and Lazada (mainly for Singapore consumers), and Tmall and JD.com, which are two of China’s largest e-commerce sites (mainly for Chinese consumers).

As disclosed in the Outlook section (page 6), 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”.

- a) **With the new majority shareholder (Creative Elite Holdings Limited) being on board since October 2015, can the board provide shareholders with a more detailed holistic overview of the group’s strategies and growth plans under the new ownership?**
- b) **Are there plans to diversify the group’s core business beyond “Nature’s Farm”/ health supplements?**

Q2. In 2017, the group’s revenue increased by about a third to reach \$18.2 million, up from \$14.1 million in 2016 (page 8). As shown in Note 28 (page 77 – Segment information), revenue from China increased from \$0.1 million in 2016 to \$5.98 million in 2017, offsetting the drop in revenue from Singapore.

“Transactions with new key customers” was also highlighted as a key audit matter in the Independent Auditors’ Report (page 31).

- a) **Can shareholders understand the profile of new key customers? Are these licensees who would be opening up new Nature’s Farm stores in China and Hong Kong? How much of the revenue would be recurring?**
- b) **The group has trade receivables balance at the end of the year of \$2,926,000 (page 57) with the largest customer contributing \$2,713,000 (page 56). As the group expands its geographical reach to trade with customers in China and Hong Kong, how does the group manage its credit risk?**

Q3. The group has experienced personnel changes in its key management team and has just appointed a new Chief Operating Officer (“COO”) (for Nature’s Farm Pte Ltd) in May 2017, following the resignations of the company’s Chief Executive Officer in March 2017 and of the subsidiary’s Chief Operating Officer in April 2017, and the cessation of the Regional Director in May 2016.

With Ms. Lo Ching now serving as Executive Director and Chairman, and with the appointment of Ms Wang Yu as COO in May 2017, does the group have the management depth to execute on the group’s strategies? If not, can shareholders get an update on the progress made in building up the group’s key management team?