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UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: Camsing Healthcare Limited

Security: Camsing Healthcare Limited

Meeting details:

Date: 28 May 2018

Time: 10.00 a.m.

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 in Singapore, China, and Malaysia. It operates 19 retail outlets in various shopping malls; and e-commerce platforms, such as Redmart, Qoo10, and Lazada, as well as Tmall.com and JD.com e-commerce sites. 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://sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=BAC)

1. As noted in the Chairman's Statement, the group reported lower revenue of \$14.9 million in FY2017/2018, down 18% from \$18.2 million a year ago. This was attributed to the decrease in sales contributed by the wholesale trade sector.

In the company's profile on page 1 of the annual report, it is shown that the company operates 18 retail stores (down from 19 retail stores in 2016) and has its online presence through the e-store and other e-commerce platforms.

- (i) Would the board/management provide shareholders with better clarity on the group's strategic direction? Specifically, will the retailing of health supplements and foods in Singapore remain the group's core business?**
- (ii) Can management elaborate further on the specific plans and targets for the Chinese market in the next 3-5 years? What is the market entry strategy for the Chinese market?**
- (iii) Can management also provide shareholders with an overview of the Chinese health supplements and foods market to help shareholders understand its potential?**
- (iv) Can management also clarify on its business model, especially the "wholesale trade sector" which was the main reason for the drop in the group's revenue?**
- (v) What is the group's (omni-channel) strategy to leverage its own e-store, other e-commerce sites and its network of retail stores to increase both the revenue and profits for the group?**

2. As disclosed in Note 4(c) (page 54 – Financial instruments, financial risks and capital management: Capital management policies and objectives), the group had a breach of financial covenants as it did not meet the minimum consolidated Tangible Net Worth as required by the bank facility contract. The group has also disclosed that it is in the process of renegotiating the terms and financial covenants of the banking facility with the bank.

From Note 15 (page 64 – Interest-bearing loans and borrowings), as at 31 January 2018, the group has short-term loans of \$3,400,000 (2017: \$4,200,000) which are renewable every three months and bears interest rates between 1.89% to 1.90% (2017: 1.36% to 1.90%) per annum.

As at 31 January 2018, the group has cash and cash equivalents of \$5.1 million, of which \$2.6 million is held in fixed deposits and \$2.5 million held as cash at banks and in hand.

- (i) When does management expect to conclude the renegotiation of the terms and financial covenants of the banking facility with the bank?**
- (ii) Can the board also help shareholders understand the deliberations it has had on the optimal capital structure of the group?**

(iii) In particular, why is the group utilising short-term loans to finance the group's working capital?

3. Ms. Lo Ching was appointed to the company's board on 19 November 2015. It was disclosed that:

"The Company will arrange for Ms Lo Ching to attend relevant training to familiarize herself with the roles and responsibilities of a director of a public listed company, including seminars conducted by the Singapore Institute of Directors".

Similarly, Mr. Liu Hui was appointed as an executive director of the company on the same date and the company has also stated that it will arrange for Mr. Liu to attend relevant training as well.

Can the company disclose the training/courses and seminars attended by the executive directors since November 2015 to familiarise themselves with the roles and responsibilities of a director of a public listed company in Singapore?

A copy of the questions for the Annual Report for the financial year ended 31 January 2017 could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=Camsing%20Healthcare%20Ltd>

The company's response could be found here: -----