JR LIFE SCIENCES PTE. LTD.

Unique Entity Number : 200705338N
(Incorporated in Singapore)

ANNUAL REPORT
2022

CONTENTS

DIRECTORS' STATEMENT
For the financial year ended 28 February 2022

The directors present this statement to the members together with the audited financial statements of the Company for the financial year ended 28 February 2022.

OPINION OF THE DIRECTORS

In our opinion,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 28 February 2022 and of the financial performance, the changes in equity and cash flows of the Company for the financial year ended on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORATE

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

Ong Chuan Aik
Ong Hui Ying

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares in, or debentures of, the Company, except as follows:

	Number of ordinary shares	
Name of director	01.03.2021	28.02.2022
Ong Chuan Aik	1,600,000	1,600,000
Ong Hui Ying	200,000	200,000

SHARE OPTIONS

During the financial year, there were:-

i) no options granted by the Company to any person to take up unissued shares of the Company, and

ii) no shares issued by virtue of the exercise of an option to take up unissued shares of the Company.

At the reporting date, there were no unissued shares of the Company under option.

DIRECTORS' STATEMENT
For the financial year ended 28 February 2022

INDEPENDENT AUDITORS

The independent auditors, EisnerAmper PAC, have expressed their willingness to accept re-appointment.

By the Board of Directors

ONG CHUAN AIK
Director

ONG HUI YING
Director

25 AUG 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JR LIFE SCIENCES PTE. LTD.

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of JR Life Sciences Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 28 February 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 28 February 2022 and of the financial performance, changes in equity and cash flows 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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.

Other Information
Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

宜安普會計師事務所

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JR LIFE SCIENCES PTE. LTD.

Report on the Audit of the Financial Statements (Cont'd)

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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 have been properly kept in accordance with the provisions of the Act.

EisnerAmper

Public Accountants and Chartered Accountants
Singapore 25 August 2022

STATEMENT OF FINANCIAL POSITION
As at 28 February 2022

	Note	2022 S$	2021 S$
ASSETS			
Non-current assets			
Plant and equipment	3	**604,379**	309,768
Investment in subsidiary	4	**100,000**	100,000
		704,379	409,768
Current assets			
Inventories, net	5	**2,584,185**	1,906,952
Trade and other receivables	6	**2,132,578**	1,795,656
Cash and cash equivalents	7	**5,469,667**	5,790,038
		10,186,430	9,492,646
Total Assets		**10,890,809**	9,902,414
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	8	**2,000,000**	2,000,000
Retained profits		**5,670,407**	5,483,197
		7,670,407	7,483,197
Non-current liabilities			
Lease liabilities	9	**170,796**	123,771
Current liabilities			
Trade and other payables	10	**2,310,123**	1,606,629
Lease liabilities	9	**139,702**	89,647
Current tax payable		**599,781**	599,170
		3,049,606	2,295,446
Total Equity and Liabilities		**10,890,809**	9,902,414

See accompanying notes to the financial statements.

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 28 February 2022

	Note	**2022**	2021
		S$	S$
Revenue	11	**14,284,321**	12,661,316
Other income	12	**498,870**	734,799
Purchases		**(4,803,902)**	(3,897,377)
Advertising and promotion		**(2,189,223)**	(1,399,474)
Freight and handling charges		**(174,088)**	(172,658)
Changes in inventories		**502,225**	495,583
Allowance for inventory obsolescence	5	**175,008**	(60,000)
Depreciation	3	**(386,865)**	(139,300)
Exchange difference		**11,020**	(16,725)
Gain on disposal of plant and equipment		**134,100**	-
Interest expense	9	**(11,072)**	(6,218)
Short-term lease		**(14,498)**	(12,181)
Employee benefits	13	**(3,833,157)**	(3,813,378)
Other operating expenses		**(1,261,100)**	(1,050,002)
Profit before income tax		**2,931,639**	3,324,385
Income tax	14	**(444,429)**	(565,000)
Profit for the year and Total comprehensive income for the year		**2,487,210**	2,759,385

See accompanying notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 28 February 2022

	Share Capital S$	Retained Profits S$	Total S$
Balance as at 1 March 2020	2,000,000	3,723,812	5,723,812
Total comprehensive income for the year	-	2,759,385	2,759,385
Dividends (Note 15)	-	(1,000,000)	(1,000,000)
Balance as at 29 February 2021	2,000,000	5,483,197	7,483,197
Total comprehensive income for the year	-	2,487,210	2,487,210
Dividends (Note 15)	-	(2,300,000)	(2,300,000)
Balance as at 28 February 2022	**2,000,000**	**5,670,407**	**7,670,407**

See accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS
For the financial year ended 28 February 2022

	Note	**2022** S$	2021 S$
Cash flows from operating activities			
Profit before income tax		**2,931,639**	3,324,385
Adjustments for :			
Allowance for inventory obsolescence	5	**(175,008)**	60,000
Depreciation	3	**386,865**	139,300
Gain on disposal of plant and equipment		**(134,100)**	-
Interest income	12	**(14,912)**	(67,832)
Rental rebate	9	**-**	(17,157)
Interest expenses	9	**11,072**	6,218
Operating cash flow before working capital change		**3,005,556**	3,444,914
Inventories		**(502,225)**	(495,583)
Receivables		**(336,922)**	220,279
Payables		**703,494**	(773,775)
Cash generated from operations		**2,869,903**	2,395,835
Tax paid		**(443,818)**	(157,133)
Interest received		**14,912**	67,832
Net cash generated from operating activities		**2,440,997**	2,306,534
Cash flows from investing activities			
Purchase of plant and equipment	3	**(332,293)**	(117,701)
Net cash used in investing activities		**(332,293)**	(117,701)
Cash flows from financing activities			
Dividends paid	15	**(2,300,000)**	(1,000,000)
Payment of lease liabilities	9	**(118,003)**	(78,487)
Interest paid	9	**(11,072)**	(5,342)
Net cash used in financing activities		**(2,429,075)**	(1,083,829)
Net change in cash and cash equivalents		**(320,371)**	1,105,004
Cash and cash equivalents at beginning of financial year		**5,790,038**	4,685,034
Cash and cash equivalents at end of financial year	7	**5,469,667**	5,790,038

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS
For the financial year ended 28 February 2022

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

1. GENERAL

JR Life Sciences Pte. Ltd. is a limited exempt private company incorporated and domiciled in Singapore. The Company's ultimate controlling party is Mr. Ong Chuan Aik.

The Company's unique entity number is 200705338N. The address of the registered office is No. 2 Bukit Batok Street 24, #08-20 Skytech Singapore 659480.

The principal activities of the Company are those relating to general wholesale trade (including general importers and exporters).

The financial statements of the Company were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS").

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below, and are presented in Singapore Dollars (S$).

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 March 2021.

The adoption of all the new and revised standards had no material effect on the amounts reported for the current or prior financial years.

(b) Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the financial period. Although these estimates are based on the management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments 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. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Critical accounting judgments and key sources of estimation uncertainty (Cont'd)

The Company 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.

(i) *Depreciation of plant and equipment*
The Company determines the estimated useful lives and related depreciation charges for the Company's plant and equipment. This estimate is based on the historical experience of the actual useful lives of plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives are different to those previously estimated, or a write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(ii) *Allowances for inventories*
The management of the Company reviews an aging analysis at each reporting date and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. The management estimates the net realisable value for such finished goods and work-in progress based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review on a product-by-product basis at each reporting date and makes allowance for obsolete items.

(iii) *Expected credit losses (ECLs) on trade receivables*
ECLs on trade receivables of the Company is based on the evaluation of collectability and aging analysis of trade receivables and on the management's estimate. In determining whether impairment is required, the Company takes into consideration the aging status and likelihood of collection. When recoverability of trade receivables are called into doubts, lifetime ECLs on trade receivables are made on the difference between the estimated future cash flow expected to receive, discounted using the original effective interest rate and the carrying value.

(c) Plant and equipment and depreciation

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

Cost includes expenditure that is directly attributable to the acquisition of the asset and costs of bringing the asset to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of asset if the obligation for dismantlement, removal or restoration costs is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to profit or loss. The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Plant and equipment and depreciation (Cont'd)

Depreciation of plant and equipment is calculated on the straight-line basis to write off the cost less residual value of the assets over their estimated useful lives as follows:

Office equipment	2 years
Furniture & fittings	5 years
Renovation	2 years
Motor vehicles	2 years

Plant and equipment acquired during the period are charged with full year depreciation. No depreciation is charged for assets sold during the year. Fully depreciated assets are retained in the books until they are no longer in use and no further charges for depreciation is made in respect of these assets.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each financial year end.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the assets is included in profit or loss in the year the asset is derecognised.

(d) Subsidiary

Subsidiary is that entity in which the Company has an interest of more than one half of the voting right or otherwise has power to govern the financial and operating policies.

Investment in subsidiary is stated at cost less any impairment loss in the Company's statement of financial position.

An assessment of the value of investment in subsidiary is performed when there is indication that such assets have been impaired, or the impairment losses recognised in the prior years no longer exists.

(e) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less anticipated cost of disposal and after making allowance for damaged, obsolete and slow-moving items.

(g) Financial assets

Classification, recognition and measurement
Financial assets are classified as either financial assets at fair value through profit or loss (FVTPL), financial assets at amortised cost, and investments in equity instruments at fair value through other comprehensive income (FVTOCI). Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

The Company does not have financial assets at fair value through profit or loss and investments in equity instruments at fair value through other comprehensive income.

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Company commits to purchase or sell the asset.

Financial assets at amortised costs are initially recognised at fair value plus transaction costs except for trade receivables. Trade receivables are initially recognised at their transaction price if the trade receivables do not contain a significant financing component in accordance with FRS 115.

Financial assets at amortised costs that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset; and

- Financial assets that have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset.

Subsequent to initial recognition, financial assets at amortised cost, including cash and cash equivalents and trade receivables at amortised cost, are measured at amortised cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial assets (Cont'd)

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

Impairment of financial assets
The Company recognises a loss allowance for expected credit losses on financial assets at amortised cost (including trade receivables).

For trade receivable, the Company applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets
All regular way purchases or sales of financial assets are derecognised on a trade date basis.

A financial asset is derecognised when the contractual rights to receive cash flows from the asset have expired or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortised cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(h) Financial liabilities

Financial liabilities include trade payables and other amounts payable. Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

(i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(k) Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefit is probable. When inflow is virtually certain, an asset is recognised.

(l) Related parties

(i) A person or a close member of that person's family is related to the Company if that person:
   a. has control or joint control over the Company;
   b. has significant influence over the Company; or
   c. is a member or the key management personnel of the Company or of a parent of the Company.

(ii) An entity is related to the Company if any of the following conditions applies:-
   a. The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   b. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   c. Both entities are joint ventures of the same third party.
   d. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   e. The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
   f. The entity is controlled or jointly controlled by a person identified in (i).
   g. A person identified in (i) (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
   h. The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When the Company is the lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2 (e).

The Company's right-of-use assets are presented within property, plant and equipment (Note 3).

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Leases (Cont'd)

When the Company is the lessee (Cont'd)

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(n) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfied a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good and service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sales of goods
Revenue from sale of goods is recognised upon transfer of significant risks and rewards of ownership of the goods to the customer, usually on delivery of goods. Transaction price is amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties.

(o) Government grants

Government grant is recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

(p) Employee benefits

Pension obligations
As required by law, the Company makes contributions to the state pension scheme, the Central Provident Fund (CPF) Scheme which is a defined contribution pension scheme. Contributions to CPF are recognised as expense in the period in which the related service is performed.

Employee leave entitlement
Employee entitlements to annual leave are recognised when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Key management personnel

Key management personnel of the Company are those having authority and responsibility for planning, directing and controlling the activities of the Company. The director is considered as key management personnel.

(q) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(s) Income tax

Income tax for the financial year comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, providing for all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Functional currency

Items included in the financial statements are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Company ("the functional currency"). The financial statements are presented in Singapore dollars, which is the Company's functional currency.

(u) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency using the exchange rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the rates ruling at that date. All exchange differences are taken to the profit or loss.

3. PLANT AND EQUIPMENT

	Renovation S$	Motor vehicle S$	Furniture & fitting S$	Office equipment S$	Leased office S$	Total S$
Cost						
As at 1 March 2020	144,544	605,902	21,912	169,013	197,697	1,139,068
Additions	-	61,830	3,308	52,563	201,254	318,955
As at 28 February 2021	144,544	667,732	25,220	221,576	398,951	1,458,023
Disposals	-	(313,098)	-	-	-	(313,098)
Additions	33,782	523,606	-	57,308	66,780	681,476
As at 28 February 2022	**178,326**	**878,240**	**25,220**	**278,884**	**465,731**	**1,826,401**
Accumulated Depreciation						
As at 1 March 2020	144,544	587,002	18,809	165,598	93,002	1,008,955
Charge for the year	-	26,629	2,601	13,411	96,659	139,300
As at 28 February 2021	144,544	613,631	21,410	179,009	189,661	1,148,255
Disposals	-	(313,098)	-	-	-	(313,098)
Charge for the year	3,598	255,660	1,384	33,103	93,120	386,865
As at 28 February 2022	**148,142**	**556,193**	**22,794**	**212,112**	**282,781**	**1,222,022**
Net Book Value						
As at 28 February 2022	**30,184**	**322,047**	**2,426**	**66,772**	**182,950**	**604,379**
As at 28 February 2021	-	54,101	3,810	42,567	209,290	309,768
Right-of-use assets						
Carrying Amount						
As at 1 March 2020	-	-	-	-	104,695	104,695
Addition	-	-	-	-	201,254	201,254
Depreciation	-	-	-	-	(96,659)	(96,659)
As at 28 February 2021	-	-	-	-	209,290	209,290
Addition	-	461,776	-	48,303	66,780	576,859
Depreciation	-	(196,407)	-	(2,376)	(93,120)	(291,903)
As at 28 February 2022	**-**	**265,369**	**-**	**45,927**	**182,950**	**494,246**

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class.

During the year, cash payment of S$332,293 (2021: S$117,701) was made to purchase plant and equipment. Included in acquisition of office equipment is a government grant of NIL (2021: S$4,055) being net against cost of acquisition.

4. INVESTMENT IN SUBSIDIARY

	2022	2021
	S$	S$
Unquoted equity shares, at cost	**100,000**	100,000

Holistic Way Pte. Ltd., is a 100% owned subsidiary, was incorporated in the Republic of Singapore. The subsidiary's principal activities are those relating to general wholesale trade (including general importers and exporters).

No consolidated financial statements are prepared in respect of the current financial year as the subsidiary has not commenced operation since date of incorporation.

5. INVENTORIES

	2022	2021
	S$	S$
Inventories, at cost	**2,634,177**	2,131,952
Allowance for slow-moving inventories	**(49,992)**	(225,000)
	2,584,185	1,906,952
Allowance movement		
- At beginning of the year	**225,000**	165,000
- Allowance (written back)/ provided during the year	**(175,008)**	60,000
- At end of year	**49,992**	225,000

Inventories recognised as expense in cost of sales is S$4,301,852 (2020: S$3,401,794).

6. TRADE AND OTHER RECEIVABLES

	2022	2021
	S$	S$
Trade receivables	**2,010,911**	1,700,430
Deposits	**20,143**	66,821
Prepayments	**45,602**	25,729
Amount due from subsidiary	**-**	1,960
Other receivables	**55,922**	716
	2,132,578	1,795,656

Trade receivables are non-interest bearing and generally in 0 – 60 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables as at 1 March 2020 amounted to S$1,946,890.

6. TRADE AND OTHER RECEIVABLES (CONT'D)

The ageing of trade receivables at the reporting date is:

	2022	2021
	S$	S$
Not past due	**1,645,102**	1,311,578
Past due:		
Less than 30 days	**365,809**	366,550
31 – 60 days	**-**	206
More than 60 days	**-**	22,096
	2,010,911	1,700,430

Amount due from subsidiary is non-trade, unsecured, interest free and repayable on demand.

7. CASH AND CASH EQUIVALENTS

	2022	2021
	S$	S$
Cash and bank balances	**1,663,489**	1,587,472
Fixed deposit	**3,806,178**	4,202,566
Cash and cash equivalents per statement of cash flows	**5,469,667**	5,790,038

Fixed deposits earn interest of 0.22% to 0.50% (2021: 0.26% to 0.65%) per annum and have maturities ranging between 2 and 8 months (2020: 3 and 12 months). Fixed deposits can be readily converted into known amount of cash and are subject to insignificant risk of change in values.

8. SHARE CAPITAL

	2022	2021
	S$	S$
Issued & fully paid:		
2,000,000 ordinary shares	**2,000,000**	2,000,000

There is no par value for these ordinary shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

9. LEASE LIABILITIES

	2022	2021
	S$	S$
Due within 1 year	**139,702**	89,647
Due within 2 to 5 years	**170,796**	123,771
	310,498	213,418

Total cash outflows for all the leases is S$143,573 (2021: S$96,010).

9. LEASE LIABILITIES (CONT'D)

Movement in lease liabilities are set out as follows:

	2022 S$	2021 S$
As at 1 March	**213,418**	106,932
Addition	**215,083**	201,254
Interest expenses	**11,072**	6,218
	439,573	314,404
Less:		
Payment of principal portion of lease liabilities	**(118,003)**	(78,487)
Interest paid	**(11,072)**	(5,342)
	(129,075)	(83,829)
Rental waiver	**-**	(17,157)
As at 28 February	**310,498**	213,418

10. TRADE AND OTHER PAYABLES

	2022 S$	2021 S$
Trade payables	**1,210,506**	559,516
GST payable	**138,297**	143,193
Accruals	**961,320**	903,920
	2,310,123	1,606,629
Denominated in:		
- USD	**-**	54,620
- CAD	**909,355**	132,995
- NZD	**14,507**	203,218
- SGD	**1,386,261**	1,215,796
	2,310,123	1,606,629

Trade payables are non-interest bearing, normally settled within 30 days terms.

11. REVENUE

Revenue represents the invoiced trading sales to customers at a point in time.

12. OTHER INCOME

	2022 S$	2021 S$
Government grants	**482,943**	649,110
Rental rebate	**-**	17,157
Interest income	**14,912**	67,832
Other income	**1,015**	700
	498,870	734,799

NOTES TO FINANCIAL STATEMENTS
For the financial year ended 28 February 2022

12. OTHER INCOME (CONT'D)

Included in government grants comprised of S$121,954 (2021: S$507,367) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

13. EMPLOYEE BENEFITS

	2022 **S$**	2021 S$
Employee benefits include the following:-		
Key management personnel compensation	**552,940**	603,560
Cost of defined contribution plans included therein	**361,762**	318,944

The Company received Foreign Worker Levy (FWL) rebate of NIL (2021: S$48,750) being net against employee benefits. The FWL rebate is extended to business employers who hire foreign workers on work permits and S-passes to ease the labour costs during the circuit breaker period.

14. INCOME TAX

	2022 **S$**	2021 S$
Based on the operating results for the year		
- Current	**478,000**	565,000
Over-provision in respect of prior years	**(33,571)**	-
	444,429	565,000

A reconciliation of the income tax expense from the amount of income tax expense determined by applying the Singapore statutory income tax rate on the results of the Company is as follows:

	2022 **S$**	2021 S$
Profit before taxation	**2,931,639**	3,324,385
Tax calculated at statutory tax rate of 17%	**498,379**	565,145
Income not taxable	**(43,529)**	-
Expense not deductible for tax	**67,773**	11,919
Deferred tax assets not recognised	**9,594**	(6,893)
Tax incentives	**(24,395)**	-
Singapore statutory income exemption	**(17,425)**	(17,425)
Overprovision in respect of prior years	**(33,571)**	-
Rounding	**(12,397)**	12,254
	444,429	565,000

15. DIVIDEND

	2022 S$	2021 S$
Final dividend paid of S$1.15 (2021: S$0.50) per ordinary share (one tier tax exempt) in respect of the year ended 28 February 2021 (2021: 29 February 2020)	**2,300,000**	1,000,000

16. FINANCIAL RISK MANAGEMENT

The Company's exposure to financial risk associated with financial instruments held in the ordinary course of business includes:

Interest rate risk
The Company has no significant exposure to fluctuations in interest rates.

Credit risk
The Company has significant credit risk exposure to 3 (2021: 3) customers, accounted for 88% (2021: 87%) of the Company's revenue. As at reporting date, these customers comprised 94% (2021: 95%) of the total trade receivables. The Company believes that the concentration of this credit risk is mitigated substantially by its stringent credit policies and procedures, including close monitoring of customer collections.

The Company considers a financial asset as in default when the counterparty fail to make contractual payments for a prolonged period of time when they fall due, and the Company may also consider internal and external information, such as significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation. Financial assets are written off when there is no reasonable expectation of recovering the contractual cash flow, such as a debtor failing to engage in a repayment plan with the Company and it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Management has assessed and concluded that the expected credit loss rate for trade receivables past due less than 1 year approximates nil and is immaterial. The Company has no record of trade receivables past due more than 1 year.

Cash is placed with reputable financial institutions which are regulated and have good credit standing.

In determining the ECL, management has taken into account the financial position of the related parties, adjusted for factors that are specific to the related parties and general economic conditions of the industry in which the related parties operate, in estimating the probability of default of the amount due from related parties as well as the loss upon default. Management determines the amount due from related parties are subject to immaterial credit loss.

17. FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk
The Company has sufficient funds to finance its ongoing working capital requirements.

The Company has no derivative financial liabilities. All non-derivative financial liabilities are due within 12 months, except for the lease liabilities as set out set out below:

	Less then 1 year S$	**Between 2 to 5 years S$**
At 28 February 2022		
Lease liabilities	**151,324**	**176,414**
At 28 February 2021		
Lease liabilities	98,621	125,542

Foreign currency risk
The Company is exposed to foreign exchange risk on transactions that are denominated in a currency other than Singapore dollars. Exposure to foreign exchange risk is monitored on an ongoing basis by the Company to ensure that the net exposure is at an acceptable level.

Foreign currency sensitivity analysis
The following table details the Company's sensitivity to a 3% - 4% (2020: 2% - 3%) change in the relevant foreign currencies against the functional currency. The sensitivity analysis assumes an instantaneous 3% - 4% (2020: 2% - 3%) change in the foreign currency exchange rate from the reporting date, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in foreign currencies are included in the analysis.

	2022 (Loss)/Profit S$	2021 (Loss)/Profit S$
CAD		
- strengthened by 2% (2021: 3%)	**(18,187)**	(3,990)
- weakened by 2% (2021: 3%)	**18,187**	3,990
NZD		
- strengthened by 4% (2021: 4%)	**(580)**	(8,129)
- weakened by 4% (2021: 4%)	**580**	8,129

Fair value of financial instruments
The fair values of financial assets and financial liabilities approximate the carrying amounts of those assets and liabilities reported in the statement of financial position.

18. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

There were no changes in the Company's approach to capital management from previous year.

19. FRS NOT YET ADOPTED

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

Description	**Effective for annual period beginning on or after**
FRS 110, FRS 28 Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Various	
Annual improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
FRS 1 Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2023
FRS 103 Amendments to FRS 103: Reference to the Conceptual Framework	1 January 2022
FRS 16 Amendments to FRS 16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
FRS 37 Amendments to FRS 37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
FRS 8 Amendments to FRS 8: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The directors do not anticipate that the adoption of the above FRS in future periods will have a material impact on the financial statements of the Company in the period of their initial adoption.

20. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Company were authorised for issue in accordance with a resolution of the directors on date of Directors' Statement.

DETAILED PROFIT AND LOSS STATEMENT

For the financial year ended 28 February 2022

	2022 S$	2021 S$
Revenue		
Sales	**14,284,321**	12,661,316
Less : Cost of goods sold		
Opening inventories	**1,906,952**	1,497,224
Purchases	**4,978,910**	3,837,377
Freight and handling charges	**174,088**	172,658
Obsolence stock provision	**(175,008)**	60,000
	6,884,942	5,567,259
Closing inventories	**(2,584,185)**	(1,906,952)
	4,300,756	3,634,452
Gross profit	**9,983,565**	9,026,864
Add : Other income	**498,870**	734,799
	10,482,435	9,761,663
Less : Selling, administrative and financial expenses	**7,550,795**	6,437,278
Profit for the year	**2,931,639**	3,324,385

DETAILED PROFIT AND LOSS STATEMENT

For the financial year ended 28 February 2022

	2022	2021
	S$	S$
Less : Selling, administrative and financial expenses		
Advertisement and promotions	**2,189,223**	1,399,474
Bank charges	**1,697**	818
Commission	**548,451**	515,442
Depreciation	**386,864**	139,300
Directors' CPF	**26,940**	29,060
Directors' salary & bonus	**526,000**	574,500
Donations	**132,000**	124,200
Entertainments	**59,464**	33,519
Exchange differences	**(11,020)**	16,725
Finance lease interest	**11,072**	6,218
General expenses	**26,292**	39,272
Housing allowance	**-**	10,800
Insurance	**52,804**	45,819
Laboratory fees	**41,787**	20,539
Legal and professional fee	**178,286**	79,592
Meal expenses	**41,904**	31,073
Medical and dental	**15,127**	3,460
Office supplies	**31,124**	18,974
Packing charges	**2,244**	-
Postage and stamps	**9,224**	5,386
Performance incentives	**52,910**	52,200
Printing and stationery	**16,476**	29,781
Short term lease	**14,498**	12,181
Repair and maintenance	**32,661**	12,428
Secretarial fees	**547**	547
SDL and FWL	**159,166**	155,382
Staff training	**(18,275)**	3,452
Staff welfare	**62,775**	137,630
Staffs CPF	**334,822**	289,884
Staffs salary and bonus	**2,555,202**	2,416,885
Subscriptions	**7,822**	67
Telephone allowance	**360**	1,080
Telephone and fax charges	**5,296**	5,498
Trademark expenses	**5,013**	3,758
Transport allowance	**90,377**	90,000
Transport claimed	**2,501**	3,429
Website expenses	**16,699**	28,194
Unutilised leave	**(14,152)**	17,972
Upkeep vehicle-insurance	**14,050**	13,104
Upkeep vehicle-parking	**37,746**	34,599
Upkeep vehicle-petrol	**15,243**	8,096
Upkeep vehicle-repair & maintenance	**8,137**	7,816
Upkeep vehicle-road tax	**6,857**	10,895
Utilities	**8,680**	8,229
Gain on disposal of fixed assets	**(134,100)**	-
	7,550,795	6,437,278
Profit for the year	**2,931,639**	3,324,385

JR LIFE SCIENCES PTE. LTD.

Unique Entity Number : 200705338N
(Incorporated in Singapore)

ANNUAL REPORT
2023

CONTENTS

DIRECTORS' STATEMENT
For the financial year ended 28 February 2023

The directors present this statement to the members together with the audited financial statements of the Company for the financial year ended 28 February 2023.

OPINION OF THE DIRECTORS

In our opinion,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 28 February 2023 and of the financial performance, the changes in equity and cash flows of the Company for the financial year ended on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORATE

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

Ong Chuan Aik
Ong Hui Ying

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares in, or debentures of, the Company, except as follows:

	Number of ordinary shares	
Name of director	**01.03.2022**	**28.02.2023**
Ong Chuan Aik	1,600,000	1,600,000
Ong Hui Ying	200,000	200,000

SHARE OPTIONS

During the financial year, there were:-

i) no options granted by the Company to any person to take up unissued shares of the Company, and

ii) no shares issued by virtue of the exercise of an option to take up unissued shares of the Company.

At the reporting date, there were no unissued shares of the Company under option.

DIRECTORS' STATEMENT

For the financial year ended 28 February 2023

INDEPENDENT AUDITOR

The independent auditor, EisnerAmper PAC, has expressed their willingness to accept re-appointment.

By the Board of Directors

ONG CHUAN AIK
Director

ONG HUI YING
Director

30 AUG 2023

宜安普會計師事務所

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JR LIFE SCIENCES PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of JR Life Sciences Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 28 February 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 28 February 2023 and of the financial performance, changes in equity and cash flows 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 Company 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.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

1 North Bridge Road #23-05 High Street Centre Singapore 179094
T. +65 6305 9900 F. +65 6336 0652 www.eisneramper.sg

EisnerAmper PAC
(Co Reg No./GST Reg No. 200802316C)
Independent member of EisnerAmper Global Limited

宜安普會計師事務所

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JR LIFE SCIENCES PTE. LTD.

Report on the Audit of the Financial Statements (Cont'd)

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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 have been properly kept in accordance with the provisions of the Act.

EisnerAmper

Public Accountants and Chartered Accountants
Singapore 30 August 2023

STATEMENT OF FINANCIAL POSITION
As at 28 February 2023

	Note	2023 S$	2022 S$
ASSETS			
Non-current assets			
Property, plant and equipment	3	**272,054**	604,379
Investment in subsidiary	4	**100,000**	100,000
		372,054	704,379
Current assets			
Inventories, net	5	**3,004,661**	2,584,185
Trade and other receivables	6	**2,994,140**	2,132,578
Cash and cash equivalents	7	**5,041,001**	5,469,667
		11,039,802	10,186,430
Total Assets		**11,411,856**	10,890,809
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	8	**2,000,000**	2,000,000
Retained profits		**6,490,041**	5,670,407
		8,490,041	7,670,407
Non-current liabilities			
Lease liabilities	9	**90,824**	170,796
Current liabilities			
Trade and other payables	10	**1,949,170**	2,310,123
Lease liabilities	9	**135,528**	139,702
Current tax payable		**746,293**	599,781
		2,830,991	3,049,606
Total Equity and Liabilities		**11,411,856**	10,890,809

See accompanying notes to the financial statements.

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 28 February 2023

	Note	2023 S$	2022 S$
Revenue	11	**16,109,738**	14,284,321
Other income	12	**284,029**	498,870
Purchases		**(4,784,649)**	(4,803,902)
Advertising and promotion		**(2,552,999)**	(2,189,223)
Freight and handling charges		**(148,442)**	(174,088)
Changes in inventories		**430,480**	502,225
Allowance for inventory obsolescence	5	**(10,004)**	175,008
Depreciation	3	**(469,189)**	(386,865)
Exchange difference		**(2,447)**	11,020
Gain on disposal of property, plant and equipment		**75,252**	134,100
Interest expense	9	**(13,782)**	(11,072)
Short-term lease		**(16,084)**	(14,498)
Employee benefits	13	**(4,662,646)**	(4,381,608)
Other operating expenses		**(793,623)**	(712,649)
Profit before income tax		**3,445,634**	2,931,639
Income tax	14	**(626,000)**	(444,429)
Profit for the year and Total comprehensive income for the year		**2,819,634**	2,487,210

See accompanying notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 28 February 2023

	Share Capital S$	Retained Profits S$	Total S$
Balance as at 1 March 2021	2,000,000	5,483,197	7,483,197
Total comprehensive income for the year	-	2,487,210	2,487,210
Dividends (Note 15)	-	(2,300,000)	(2,300,000)
Balance as at 28 February 2022	2,000,000	5,670,407	7,670,407
Total comprehensive income for the year	-	2,819,634	2,819,634
Dividends (Note 15)	-	(2,000,000)	(2,000,000)
Balance as at 28 February 2023	**2,000,000**	**6,490,041**	**8,490,041**

See accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS
For the financial year ended 28 February 2023

	Note	**2023 S$**	2022 S$
Cash flows from operating activities			
Profit before income tax		**3,445,634**	2,931,639
Adjustments for :			
Allowance for inventory obsolescence	5	**10,004**	(175,008)
Depreciation	3	**469,189**	386,865
Gain on disposal of property, plant and equipment		**(75,252)**	(134,100)
Interest income	12	**(47,156)**	(14,912)
Interest expenses	9	**13,782**	11,072
Operating cash flow before working capital change		**3,816,201**	3,005,556
Inventories		**(430,480)**	(502,225)
Receivables		**(861,562)**	(336,922)
Payables		**(360,953)**	703,494
Cash generated from operations		**2,163,206**	2,869,903
Tax paid		**(479,488)**	(443,818)
Interest received		**47,156**	14,912
Net cash generated from operating activities		**1,730,874**	2,440,997
Cash flows from investing activities			
Purchase of property, plant and equipment	3	**(66,699)**	(332,293)
Proceeds from disposal of property, plant and equipment		**75,252**	-
Net cash generated from/(used in) investing activities		**8,553**	(332,293)
Cash flows from financing activities			
Dividends paid	15	**(2,000,000)**	(2,300,000)
Payment of lease liabilities	9	**(154,311)**	(118,003)
Interest paid	9	**(13,782)**	(11,072)
Net cash used in financing activities		**(2,168,093)**	(2,429,075)
Net decrease in cash and cash equivalents		**(428,666)**	(320,371)
Cash and cash equivalents at beginning of financial year		**5,469,667**	5,790,038
Cash and cash equivalents at end of financial year	7	**5,041,001**	5,469,667

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS
For the financial year ended 28 February 2023

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

1. GENERAL

JR Life Sciences Pte. Ltd. is a limited exempt private company incorporated and domiciled in Singapore. The Company's ultimate controlling party is Mr. Ong Chuan Aik.

The Company's unique entity number is 200705338N. The address of the registered office is No. 2 Bukit Batok Street 24, #08-20 Skytech Singapore 659480.

The principal activities of the Company are those relating to general wholesale trade (including general importers and exporters).

The financial statements of the Company were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs").

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below, and are presented in Singapore Dollars (S$).

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 March 2022.

The adoption of all the new and revised standards had no material effect on the amounts reported for the current or prior financial years.

(b) Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the financial period. Although these estimates are based on the management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments 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. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Critical accounting judgments and key sources of estimation uncertainty (Cont'd)

The Company 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.

(i) *Depreciation of property, plant and equipment*
The Company determines the estimated useful lives and related depreciation charges for the Company's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives are different to those previously estimated, or a write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(ii) *Allowances for inventories*
The management of the Company reviews an aging analysis at each reporting date and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. The management estimates the net realisable value for such finished goods and work-in progress based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review on a product-by-product basis at each reporting date and makes allowance for obsolete items.

(iii) *Expected credit losses (ECLs) on trade receivables*
ECLs on trade receivables of the Company is based on the evaluation of collectability and aging analysis of trade receivables and on the management's estimate. In determining whether impairment is required, the Company takes into consideration the aging status and likelihood of collection. When recoverability of trade receivables are called into doubts, lifetime ECLs on trade receivables are made on the difference between the estimated future cash flow expected to receive, discounted using the original effective interest rate and the carrying value.

(iv) *Determination of lease term of contracts with extension options*
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

For lease contracts that include extension options, the Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and costs of bringing the asset to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of asset if the obligation for dismantlement, removal or restoration costs is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to profit or loss. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation of property, plant and equipment is calculated on the straight-line basis to write off the cost less residual value of the assets over their estimated useful lives as follows:

Office equipment	2 years
Furniture & fittings	5 years
Renovation	2 years
Motor vehicles	2 years

Property, plant and equipment acquired during the period are charged with full year depreciation. No depreciation is charged for assets sold during the month. Fully depreciated assets are retained in the books until they are no longer in use and no further charges for depreciation is made in respect of these assets.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the assets is included in profit or loss in the year the asset is derecognised.

(d) Subsidiary

Subsidiary is that entity in which the Company has an interest of more than one half of the voting right or otherwise has power to govern the financial and operating policies.

Investment in subsidiary is stated at cost less any impairment loss in the Company's statement of financial position.

An assessment of the value of investment in subsidiary is performed when there is indication that such assets have been impaired, or the impairment losses recognised in the prior years no longer exists.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less anticipated cost of disposal and after making allowance for damaged, obsolete and slow-moving items.

(g) Financial assets

Classification, recognition and measurement
Financial assets are classified as either financial assets at fair value through profit or loss (FVTPL), financial assets at amortised cost, and investments in equity instruments at fair value through other comprehensive income (FVTOCI). Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

The Company does not have financial assets at fair value through profit or loss and investments in equity instruments at fair value through other comprehensive income.

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Company commits to purchase or sell the asset.

Financial assets at amortised costs are initially recognised at fair value plus transaction costs except for trade receivables. Trade receivables are initially recognised at their transaction price if the trade receivables do not contain a significant financing component in accordance with FRS 115.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial assets (Cont'd)

Classification, recognition and measurement (Cont'd)
Financial assets at amortised costs that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset; and
- Financial assets that have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset.

Subsequent to initial recognition, financial assets at amortised cost, including cash and cash equivalents and trade receivables at amortised cost, are measured at amortised cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognised in profit or loss.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

Impairment of financial assets
The Company recognises a loss allowance for expected credit losses on financial assets at amortised cost (including trade receivables).

For trade receivable, the Company applied the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets
All regular way purchases or sales of financial assets are derecognised on a trade date basis.

A financial asset is derecognised when the contractual rights to receive cash flows from the asset have expired or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortised cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial liabilities

Financial liabilities include trade payables and other amounts payable. Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

(i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

(j) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(k) Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefit is probable. When inflow is virtually certain, an asset is recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Related parties

(i) A person or a close member of that person's family is related to the Company if that person:
  a. has control or joint control over the Company;
  b. has significant influence over the Company; or
  c. is a member or the key management personnel of the Company or of a parent of the Company.

(ii) An entity is related to the Company if any of the following conditions applies:-
  a. The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  b. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  c. Both entities are joint ventures of the same third party.
  d. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  e. The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(ii) An entity is related to the Company if any of the following conditions applies:- (Cont'd)
  a. The entity is controlled or jointly controlled by a person identified in (i).
  b. A person identified in (i) (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  c. The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

(m) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When the Company is the lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Leases (Cont'd)

Lease liabilities (Cont'd)

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2 (e).

The Company's right-of-use assets are presented within property, plant and equipment (Note 3).

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

When the Company is the lessee

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfied a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good and service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sales of goods
Revenue from sale of goods is recognised upon transfer of significant risks and rewards of ownership of the goods to the customer, usually on delivery of goods. Transaction price is amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties.

(o) Government grants

Government grant is recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

(p) Employee benefits

Pension obligations
As required by law, the Company makes contributions to the state pension scheme, the Central Provident Fund (CPF) Scheme which is a defined contribution pension scheme. Contributions to CPF are recognised as expense in the period in which the related service is performed.

Employee leave entitlement
Employee entitlements to annual leave are recognised when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the reporting date.

(q) Key management personnel

Key management personnel of the Company are those having authority and responsibility for planning, directing and controlling the activities of the Company. The director is considered as key management personnel.

(r) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Income tax

Income tax for the financial year comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, providing for all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Functional currency

Items included in the financial statements are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Company ("the functional currency"). The financial statements are presented in Singapore dollars, which is the Company's functional currency.

(u) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency using the exchange rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the rates ruling at that date. All exchange differences are taken to the profit or loss.

3. PROPERTY, PLANT AND EQUIPMENT

	Renovation S$	Furniture & fitting S$	Motor vehicle S$	Office equipment S$	Leased office S$	Total S$
Cost						
As at 1 March 2021	144,544	25,220	667,732	221,576	398,951	1,458,023
- Additions	33,782	-	523,606	57,308	66,780	681,476
- Disposal	-	-	(313,098)	-	-	(313,098)
As at 28 February 2022	178,326	25,220	878,240	278,884	465,731	1,826,401
- Additions	41,244	5,375	-	20,080	-	66,699
- Lease modification	-	-	-	-	70,165	70,165
- Disposal	-	-	(75,599)	(11,000)	-	(86,599)
As at 28 February 2023	**219,570**	**30,595**	**802,641**	**287,964**	**535,896**	**1,876,666**
Accumulated Depreciation						
As at 1 March 2021	144,544	21,410	613,631	179,009	189,661	1,148,255
- Charge for the year	3,598	1,384	255,660	33,103	93,120	386,865
- Disposal	-	-	(313,098)	-	-	(313,098)
As at 28 February 2022	148,142	22,794	556,193	212,112	282,781	1,222,022
- Charge for the year	34,512	1,132	284,989	35,559	112,997	469,189
- Disposal	-	-	(75,599)	(11,000)	-	(86,599)
As at 28 February 2023	**182,654**	**23,926**	**765,583**	**236,671**	**395,778**	**1,604,612**
Net Book Value						
As at 28 February 2023	**36,916**	**6,669**	**37,058**	**51,293**	**140,118**	**272,054**
As at 28 February 2022	30,184	2,426	322,047	66,772	182,950	604,379

During the year, cash payment of S$66,699 (2022: S$332,293) was made to purchase property, plant and equipment.

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. The carrying amounts are as follows:

Right-of-use assets	Motor vehicle S$	Office equipment S$	Leased office S$	Total S$
As at 1 March 2021	-	-	209,290	209,290
Addition	461,776	48,303	66,780	576,859
Depreciation	(196,407)	(2,376)	(93,120)	(291,903)
As at 28 February 2022	265,369	45,927	182,950	494,246
Lease modification	-	-	70,165	70,165
Depreciation	(230,888)	(9,502)	(112,997)	(353,387)
As at 28 February 2023	**34,481**	**36,425**	**140,118**	**211,024**

4. INVESTMENT IN SUBSIDIARY

	2023 S$	2022 S$
Unquoted equity shares, at cost	**100,000**	100,000

Holistic Way Pte. Ltd., is a 100% owned subsidiary, was incorporated in the Republic of Singapore. The subsidiary's principal activities are those relating to general wholesale trade (including general importers and exporters).

No consolidated financial statements are prepared in respect of the current financial year as the subsidiary has not commenced operation since the date of incorporation.

5. INVENTORIES

	2023 S$	2022 S$
Inventories, at cost	**3,064,657**	2,634,177
Allowance for slow-moving inventories	**(59,996)**	(49,992)
	3,004,661	2,584,185
Allowance movement		
- As at 1 March	**49,992**	225,000
- Allowance provided/(written back) during the year	**10,004**	(175,008)
- As at 28 February	**59,996**	49,992

Inventories recognised as expense in cost of sales is S$4,354,169 (2022: S$4,301,852).

6. TRADE AND OTHER RECEIVABLES

	2023 S$	2022 S$
Trade receivables	**2,181,524**	2,010,911
Trade advance	**497,750**	-
Deposits	**20,222**	20,143
Prepayments	**58,547**	45,602
Cost recovery	**236,000**	55,000
Other receivables	**97**	922
	2,994,140	2,132,578

Trade receivables are non-interest bearing and generally in 0 – 60 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. Trade receivables as at 1 March 2022 was S$1,700,430.

The ageing of trade receivables at the reporting date is:

	2023 S$	2022 S$
Not past due	**1,790,665**	1,645,102
Past due:		
Less than 30 days	**390,859**	365,809
	2,181,524	2,010,911

7. CASH AND CASH EQUIVALENTS

	2023 S$	2022 S$
Cash and bank balances	**1,806,796**	1,663,489
Fixed deposit	**3,234,205**	3,806,178
Cash and cash equivalents per statement of cash flows	**5,041,001**	5,469,667

Fixed deposits earn interest of 3.40% to 3.80% (2022: 0.22% to 0.50%) per annum and have maturities ranging between 3 and 9 months (2022: 2 and 8 months). Fixed deposits can be readily converted into the known amount of cash and are subject to insignificant risk of change in values.

8. SHARE CAPITAL

	2023 S$	2022 S$
Issued & fully paid:		
2,000,000 ordinary shares	**2,000,000**	2,000,000

There is no par value for these ordinary shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

9. LEASE LIABILITIES

	2023 S$	2022 S$
Due within 1 year	**135,528**	139,702
Due within 2 to 5 years	**90,824**	170,796
	226,352	310,498

Total cash outflows for all the leases is S$184,177 (2022: S$143,573).

Movement in lease liabilities are set out as follows:

	2023 S$	2022 S$
As at 1 March	**310,498**	213,418
Addition	**-**	215,083
Lease modification	**70,165**	-
Interest expenses	**13,782**	11,072
	394,445	439,573
Less:		
Payment of principal portion of lease liabilities	**(154,311)**	(118,003)
Interest paid	**(13,782)**	(11,072)
	(168,093)	(129,075)
As at 28 February	**226,352**	310,498

10. TRADE AND OTHER PAYABLES

	2023 S$	2022 S$
Trade payables	**952,338**	1,210,506
GST payable	**128,679**	138,297
Accruals	**868,153**	961,320
	1,949,170	2,310,123
Denominated in:		
- CAD	**302,908**	909,355
- NZD	**214,582**	14,507
- SGD	**1,431,680**	1,386,261
	1,949,170	2,310,123

Trade payables are non-interest bearing, normally settled within 30 days terms.

11. REVENUE

Revenue represents the invoiced trading sales to customers at a point in time.

12. OTHER INCOME

	2023 S$	2022 S$
Government grants	**236,873**	482,943
Interest income	**47,156**	14,912
Other income	**-**	1,015
	284,029	498,870

Included in government grants comprised of S$ Nil (2022: S$121,954) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

13. EMPLOYEE BENEFITS

	2023 S$	2022 S$
Employee benefits include the following:-		
Key management personnel compensation	**504,840**	552,940
Cost of defined contribution plans	**406,272**	361,762

14. INCOME TAX

	2023 S$	2022 S$
Based on the operating results for the year		
- Current	**626,000**	478,000
Over-provision in respect of prior years	-	(33,571)
	626,000	444,429

A reconciliation of the income tax expense from the amount of income tax expense determined by applying the Singapore statutory income tax rate on the results of the Company is as follows:

	2023 S$	2022 S$
Profit before taxation	**3,445,634**	2,931,639
Tax calculated at statutory tax rate of 17%	**585,758**	498,379
Income not taxable	**(12,793)**	(43,529)
Expense not deductible for tax	**88,845**	67,773
Deferred tax assets not recognised	**7,863**	9,594
Tax incentives	**(58,438)**	(24,395)
Singapore statutory income exemption	**(17,425)**	(17,425)
Overprovision in respect of prior years	-	(33,571)
Rounding	**32,190**	(12,397)
	626,000	444,429

15. DIVIDEND

	2023 S$	2022 S$
Final dividend paid of S$1.00 (2022: S$1.15) per ordinary share (one tier tax exempt) in respect of the year ended 28 February 2022 (2022: 28 February 2021)	**2,000,000**	2,300,000

16. FINANCIAL RISK MANAGEMENT

The Company's exposure to financial risk associated with financial instruments held in the ordinary course of business includes:

Interest rate risk
The Company has no significant exposure to fluctuations in interest rates.

Foreign currency risk
The Company is exposed to foreign exchange risk on transactions that are denominated in a currency other than Singapore dollars. Exposure to foreign exchange risk is monitored on an ongoing basis by the Company to ensure that the net exposure is at an acceptable level.

Foreign currency sensitivity analysis
At the reporting date, the strengthening/weakening of Canadian dollar (CAD) and New Zealand dollar (NZD) against Singapore dollar will not have significant impact on the Company's profit before tax as a result of currency translation gains/losses on the remaining CAD and NZD denominated financial instruments.

16. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk
The Company has significant credit risk exposure to 3 (2022: 3) customers, accounted for 82% (2022: 88%) of the Company's revenue. As at the reporting date, these customers comprised 93% (2022: 94%) of the total trade receivables. The Company believes that the concentration of this credit risk is mitigated substantially by its stringent credit policies and procedures, including close monitoring of customer collections.

The Company considers a financial asset as in default when the counterparty fail to make contractual payments for a prolonged period of time when they fall due, and the Company may also consider internal and external information, such as significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation. Financial assets are written off when there is no reasonable expectation of recovering the contractual cash flow, such as a debtor failing to engage in a repayment plan with the Company and it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Management has assessed and concluded that the expected credit loss rate for trade receivables past due less than 1 year approximates nil and is immaterial. The Company has no record of trade receivables past due more than 1 year.

Cash is placed with reputable financial institutions which are regulated and have good credit standing.

In determining the ECL, management has taken into account the financial position of the related parties, adjusted for factors that are specific to the related parties and general economic conditions of the industry in which the related parties operate, in estimating the probability of default of the amount due from related parties as well as the loss upon default. Management determines the amount due from related parties are subject to immaterial credit loss.

Liquidity risk
The Company has sufficient funds to finance its ongoing working capital requirements.

The Company has no derivative financial liabilities. All non-derivative financial liabilities are due within 12 months, except for the lease liabilities as set out set out below:

	Less then 1 year S$	**Between 2 to 5 years S$**
At 28 February 2023		
Lease liabilities	**141,683**	**95,052**
At 28 February 2022		
Lease liabilities	151,324	176,414

Fair value of financial instruments
The fair values of financial assets and financial liabilities approximate the carrying amounts of those assets and liabilities reported in the statement of financial position.

17. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

There were no changes in the Company's approach to capital management from the previous year.

18. FRS NOT YET ADOPTED

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

Description	Effective for annual period beginning on or after
FRS 110, FRS 28 Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Various	
Amendments to FRS 117	1 January 2023
Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 1: Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 8: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 116: Lease Liability in a sale and Leaseback	1 January 2024
Amendments to FRS 7 and FRS 107: Supplier Finance Arrangements	1 January 2024

The directors do not anticipate that the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Company in the period of their initial adoption.

19. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Company were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

DETAILED PROFIT AND LOSS STATEMENT

For the financial year ended 28 February 2023

	2023 S$	2022 S$
Revenue		
Sales	**16,109,738**	14,284,321
Less : Cost of goods sold		
Opening inventories	**2,584,185**	1,906,952
Purchases	**4,774,645**	4,978,910
Freight and handling charges	**148,442**	174,088
Obsolesce stock provision	**10,004**	(175,008)
	7,517,276	6,884,942
Closing inventories	**(3,004,661)**	(2,584,185)
	4,512,615	4,300,757
Gross profit	**11,597,123**	9,983,564
Add : Other income	**284,029**	498,870
	11,881,152	10,482,434
Less : Selling, administrative and financial expenses	**8,435,518**	7,550,795
Profit for the year	**3,445,634**	2,931,639

DETAILED PROFIT AND LOSS STATEMENT

For the financial year ended 28 February 2023

	2023 S$	2022 S$
Less : Selling, administrative and financial expenses		
Advertisement and promotions	**2,552,999**	2,189,223
Bank charges	**472**	1,697
Commission	**628,910**	548,452
Depreciation	**469,189**	386,865
Directors' CPF	**27,840**	26,940
Directors' salary & bonus	**477,000**	526,000
Donations	**212,825**	132,000
Entertainments	**138,708**	59,464
Exchange differences	**2,447**	(11,020)
Finance lease interest	**13,782**	11,072
General expenses	**9,263**	26,292
Insurance	**53,774**	52,804
Laboratory fees	**15,015**	41,787
Legal and professional fee	**159,826**	178,286
Meal expenses	**37,610**	41,904
Medical and dental	**16,700**	15,127
Office supplies	**15,894**	31,124
Packing charges	**14,526**	2,244
Postage and stamps	**9,909**	9,224
Performance incentives	**57,525**	52,910
Printing and stationery	**4,950**	16,476
Short term lease	**16,084**	14,498
Repair and maintenance	**21,815**	32,661
Secretarial fees	**548**	547
SDL and FWL	**131,154**	159,166
Staff training	**7,604**	(18,275)
Staff welfare	**144,000**	62,775
Staffs CPF	**378,432**	334,822
Staffs salary and bonus	**2,652,387**	2,555,202
Staffs recruitment	**17,657**	-
Subscriptions	**5,931**	7,822
Telephone allowance	**-**	360
Telephone and fax charges	**4,329**	5,296
Trademark expenses	**8,933**	5,013
Transport allowance	**85,827**	90,377
Transport claimed	**1,536**	2,501
Travelling expenses	**1,902**	-
Website expenses	**7,372**	16,699
Unutilised leave	**-**	(14,152)
Upkeep vehicle-insurance	**14,556**	14,050
Upkeep vehicle-parking	**44,084**	37,746
Upkeep vehicle-petrol	**19,687**	15,244
Upkeep vehicle-repair & maintenance	**6,296**	8,136
Upkeep vehicle-road tax	**8,348**	6,856
Utilities	**13,124**	8,680
Gain on disposal of fixed assets	**(75,252)**	(134,100)
	8,435,518	7,550,795

Not part of the statutory financial statements.