

UPDATE IN RELATION TO TRADING HALT

The Board of Directors (“the **Board**”) of Camsing Healthcare Limited (the “**Company**”) and together with its subsidiaries the “**Group**”) refers to its announcement made on 21 March 2019 in relation to the cessations of Mr Ong Wei Jin, Maurice Tan Huck Liang and Mr Kenneth Chin Hock Raphael Lau (collectively the “**Former Directors**”) as independent directors, and 22 Mar 2019 in relation to the request for trading halt pending release of an announcement.

1. Reconstitution of Board

The Board wishes to assure shareholders that it has taken the views of the Former Directors seriously and will address the concerns raised by Deloitte & Touche LLP (the “**Auditors**”) (collectively the “**Audit Matters**”) so that the audit may continue in a timely manner.

The Board has actively taken urgent steps in reconstituting the independent members of the Board. On 22 March 2019, the Company announced the appointment of Mr Patel Anand Rameshchandra as an independent director of the Company. On 25 March 2019, the Company announced the appointment of Mr Bobby Tay Chiew Sheng as an independent director of the Company and chairman of the audit committee, and Mr Lim Heng Huat as an independent director of the Company (collectively the “**New Independent Directors**”). The New Independent Directors forms the new audit committee of the Company (the “**New Audit Committee**”). The Board is therefore in compliance with the requirements of the SGX-ST Listing Manual Rule 210 (5)(c).

2. Resolution of the Audit Matters

The Board wishes to assure shareholders that it takes the Audit Matters seriously. The Audit Matters were identified and highlighted to the Company by the Auditors during the course of audit since early January 2019 and subsequently in a letter dated 13 March 2019 addressed to the Board of Directors. *Inter alia*, it was noted that as the Board works on resolving the Audit Matters, the Auditors will make themselves available to provide inputs based on the information they have on hand. Until such time the Auditors receive satisfactory responses and resolution of the Audit Matters raised, the Auditors will not be able to finalise the audit for the financial year ended January 31, 2019.

The Company acknowledges the position of the Auditors and has provided a preliminary response to the Auditors on 19 March 2019. The Auditors continues to have concerns. While currently liaising with the Auditors, the Board also wishes to update shareholders that it is in the process of finalising the appointment of a suitable audit firm (the proposed “**Professional Firm**”) to assist the Board to look into the Audit Matters, work towards a suitable resolution of the Audit Matters and to propose more effective controls to prevent the recurrence of the Audit Matters.

As a matter of background, the Audit Matters relates to (i) whether the parties involved in certain distribution agreements and consignment agreements are related parties and whether the Company retained the risks and rewards embodied in the products originally sold under the distribution agreements. The total amount of these distribution agreements is

approximately S\$9,687,000 in FY2017 and FY2018, representing 32.8% and 25.7% of sales for FY2017 and FY2018 respectively (there were no sales under the distribution agreements for FY2019) and consignment agreements is approximately S\$ 725,000 in FY2019; (ii) whether the parties involved in certain purchase agreement are related parties, and related payments made and refunds to be received. The total amount of the contract is approximately HK\$15,600,000 for FY2019; (iii) uncertainty over recoverability of license fee income of S\$299,000 relating to FY2018 and the reversal of FY2019 license fee income of S\$294,750 for the 9 months ended October 2018; and (iv) uncertainty whether the Group's cashflows can meet the operating and financing needs for the next twelve months after the end of the reporting period in view of the breach of certain bank covenants of credit facilities arising from two loans, the outstanding amounts of which is approximately S\$3.4 million.

To clarify, the Company wishes to note that the breach of the bank covenants of one of the loans has been resolved as at the date of this announcement and the relevant banks have not pulled any credit facilities to date.

As at the date of the announcement, (i) the Company has received 2200 out of 6500 and is in the process of receiving the remaining goods under the purchase agreement; (ii) the Company has received a refund of approximately HK\$14,039,650 under the purchase agreement; (iii) due to the low performance and no purchases, the Company intend to waive off the licensing fees and look for another distributor.

The Company wishes to note that the figures as above are subject to further discussions between the Company and the Auditors. Until such time when the audit is completed, shareholders should note that such figures are unaudited and only indicative. The Company and in particular the New Audit Committee seeks more time to address the Audit Matters and aims to provide better clarity to shareholders by the release of the full year financial results for FY2019, scheduled for end March 2019.

As at the date of this announcement, the Board is of the intention to resolve the Audit Matters in a timely manner so as not to disrupt the finalisation of the audit and the convening of the annual general meeting ("**AGM**") currently scheduled for end May 2019. As the Board continues to assess the Audit Matters and seeks to resolve such matters, the Company will make the necessary announcements, in compliance with the requirements of the SGX-ST Listing Manual, as and when there are material developments on this matter.

3. Cautionary Statement

While the Company seeks to resolve the Audit Matters, shareholders are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

By order of the Board

Lo Ching
Executive Chairman
29 March 2019