

**CAMSING HEALTHCARE LIMITED**  
(Company Registration No. 197903888Z)  
(Incorporated in Singapore)

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**UPDATES TO AN EARLIER ANNOUNCEMENT ON THE FINALISATION OF THE SPECIAL AUDIT REPORT AND THE RECEIPT OF A NOTICE OF COMPLIANCE FROM SGX REGCO**

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The Audit Committee (the “**AC**”) of Camsing Healthcare Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the earlier announcement made by the AC on 1 September 2020 (the “**Earlier Announcement**”) and the notice of compliance issued by the Singapore Exchange Regulation (“**SGX RegCo**”) to the Company on the same date (the “**Notice of Compliance**”).

Unless otherwise defined, all capitalised terms herein shall have the same meanings ascribed to them in the Earlier Announcement and Notice of Compliance.

The AC wishes to provide the following updates to the Earlier Announcement:

1. With reference to Paragraph 2.1 of the Earlier Announcement, the AC wishes to confirm that it has received a copy of the Special Audit Report as of 1 September 2020.
2. The AC wishes to highlight that an Executive Summary of the Special Audit Report (the “**Executive Summary**”) has also been announced together with the Earlier Announcement. A copy of the Executive Summary is also attached to this announcement for shareholders’ and investors’ ease of reference.
3. The AC wishes to highlight the key findings of internal control lapses and potential breaches of the Listing Rules noted by RSM as set out in Paragraph 1.11.1 of the Executive Summary, which are reproduced herein as follows (all capitalised terms used in the extract below shall have the same meanings ascribed to them in the Executive Summary, unless otherwise defined):

“Non-compliance with Listing Rule 719

*Rule 719 - An issuer should have adequate and effective systems of internal controls (including financial, operational, compliance and information technology controls) and risk management systems.*

Internal Control Lapses - Nature’s Farm

- *No evaluation and selection process applied to the appointment of Global Biotech and Caring Global as exclusive distributors.*
- *No process in place to evaluate and approve new wholesale customers, including Global Biotech and Caring Global. Customer information was not properly recorded and maintained. A customer was recorded in Nature’s Farm’s books as “Global Biotech Medical (CN)”, which was confused with another customer recorded as “Global Biotech Medical (HK)”. In both cases, the records did not reflect the actual full names of the companies.*
- *No policies and procedures relating to the approval of significant transactions, such as the purchase of Brainco Devices from Global Biotech (also non-compliant with guideline 1.5 of the CCG)*
- *Internal reviews / approvals of agreement not documented. In FY2020, Nature’s Farm entered into an agreement with Somelive International Limited for the provision of brand strategy and media advertising services, allegedly with the approval of CHL’s executive directors. However, the approvals were not documented.*

Internal Control Lapses - Camsing Fuzhou

- *No formal process in place to evaluate and select new vendors such as Beijing Zhongxin.*

- *Internal reviews / approvals of purchase contracts with Beijing Zhongxin are not documented. No policy to address conflicts of interest.*
- *Internal reviews / approvals of payments made to Beijing Zhongxin for the purchase of goods were not documented. Only one bank signatory.*
- *Internal reviews / approvals of agreements for loans made to Caring Global were not documented*

*Internal Control Lapses - CHL Group*

- *Incomplete / outdated records of authorized bank signatories for CHL's Maybank accounts and Camsing Fuzhou's BOC accounts*
- *Only one bank signatory for CHL's Maybank accounts and Camsing Fuzhou's BOC accounts.*
- *Jiang Shao Yang was an authorised bank signatory of CHL even though he was neither an employee nor an officer of the Group*
- *Resigned employees not removed from list of authorized bank signatories*
- *Insufficient controls / process in place to identify RPTs and IPTs*

*Potential Non-compliance with Companies Act Provisions – Nature's Farm<sup>(1)</sup>*

- *Failure by a director to declare / give notice of interest in transactions with Nature's Farm, pursuant to S156 of the Companies Act (subject to whether Jennifer Wang's husband was indeed the shareholder of Caring Global)*

*Non-compliance with FRS 24 and Section 201(2) & 201(5) of Companies Act<sup>(2)</sup>*

- *FRS 24 – disclosure of related party transactions*
- *Section 201(2) & 201(5) – compliance of financial statements with the requirements of the Accounting Standards"*

**Notes:**

- (1) *"As a director of Nature's Farm, Jennifer Wang is required to declare her interest in Caring Global, or send a written notice to Nature's Farm with details on her interest in Nature's Farm's transactions with Caring Global. During the period, from the date of her appointment as a director on 10-Apr-2017 to 31-Jan-19, license fee income of S\$69,000 was billed to Caring Global. We note, however, that she denied any knowledge of her husband being a shareholder and supervisor of Caring Global, and confirmed that she and her husband do not own any equity interests in any company."*
- (2) *"We noted transactions with related parties in FY17 and FY18 that were not disclosed in the Group's annual reports. In FY18, Nature's Farm paid for travelling expenses amounting to S\$14,802 on behalf of Camsing Global, which were recovered in full in the same FY. According to Camsing Global's website, Lo Ching is their founder, CEO, and chairman. In FY17, Nature's Farm paid for expenses amounting to S\$23,289 on behalf of Noble Circle, which were recovered in full in the same FY. Lo Ching, the executive chairman and controlling shareholder of CHL, is also a shareholder of Noble Circle."*

4. The AC wishes to highlight the recommendations made by RSM in Paragraph 1.11.4 of the Executive Summary, which are reproduced herein as follows:

*"We recommend that the board and AC re-assess the adequacy and effectiveness of the internal audit function, and consider the need to entrust the internal audit function to external professionals."*

The AC further notes that in the Notice of Compliance, the SGX RegCo has informed the Company that SGX RegCo requires:

- A. the Company to notify SGX RegCo in advance of any possible transactions, arrangements and/or agreements involving Caring Global, Global Biotech, I-Nitra, and the Company, its subsidiaries or associated companies (the “**Group**”);
- B. the Company’s AC to review the terms of any transactions, arrangements and/or agreements to be entered into with Caring Global, Global Biotech, I-Nitra, and the Group and to be satisfied that these transactions, arrangements and/or agreements are on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders;
- C. the Company to appoint an independent firm by 1 December 2020 to undertake an independent review of the Company’s internal controls and governance practices, to address and implement the recommendations made by RSM; and
- D. in addition and as set out in the SGX RegCo’s notice of compliance to the Company dated 17 December 2019, SGX RegCo will continue to require the Company to obtain the prior approval of the Exchange under Listing Rule 1405(1)(d), for a period not exceeding 3 years, for the appointment of a director or an executive officer.

The trading suspension of the Company’s shares will continue following this announcement and will only be lifted after the Company has submitted a trading resumption proposal pursuant to Rule 1304 of the Listing Manual and upon fulfilment of the conditions required by SGX RegCo, including SGX RegCo’s notices of compliance dated 1 September 2020 and 17 December 2019, and SGX RegCo indicating that it has no objections to the resumption proposal.

**BY ORDER OF THE AUDIT COMMITTEE**

Tay Chiew Sheng  
Independent Director, Audit Committee Chairman  
7 September 2020