



Ref: REG/LC/ET/ATJW/NOC2020090001

1 September 2020

The Board of Directors  
Camsing Healthcare Limited  
4 Shenton Way  
#17-01 SGX Centre 2  
Singapore 068807

Dear Sirs

**CAMSING HEALTHCARE LIMITED (THE “COMPANY”)**

**NOTICE OF COMPLIANCE (THE “NOTICE”)**

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1. Singapore Exchange Regulation (“**SGX RegCo**”) refers to:-
  - (a) our Notice of Compliance to the Company dated 29 March 2019, requiring, *inter alia*, that the Company appoints a special auditor, to investigate the Audit Matters raised by the Company’s auditors (the “**1<sup>st</sup> NOC**”);
  - (b) our Notice of Compliance to the Company dated 17 December 2019, requiring, *inter alia*, that the Company obtains 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 “**2<sup>nd</sup> NOC**”); and
  - (c) the Company’s SGXNet announcement dated 1 September 2020, entitled “*Finalisation of Special Audit Report and Update on Executive Chairman*”, in relation to the special audit report issued by the special auditors, RSM Corporate Advisory Pte Ltd (the “**SAR**” and “**RSM**” respectively).
2. We note that RSM has highlighted, *inter alia*, the following findings in the SAR:-
  - (a) There is circumstantial evidence to suggest that the following parties are connected to one another and/or the Group’s key personnel:-
    - (i) Caring Global Health Management (Beijing) Co., Ltd (“**Caring Global**”);
    - (ii) Global Biotech Medical Inc., Limited (“**Global Biotech**”); and
    - (iii) I-Nitra Consulting Limited (“**I-Nitra**”).

**Singapore Exchange Regulation Pte. Ltd.**  
Company Reg No. 201709600D  
(A wholly-owned subsidiary of Singapore Exchange Limited)

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In this regard, the key personnel of the Group includes, *inter alia*, Ms Lo Ching<sup>1</sup> (the Company's Executive Chairman), Mr Hua Min<sup>2</sup> (the CEO of the Company's operating subsidiary, Nature's Farm Pte Ltd ("**Nature's Farm**")) and Ms Jennifer Wang<sup>3</sup> (the COO of Nature's Farm).

- (b) RSM has also recommended that in light of the numerous internal control lapses and compliance issues that surfaced during their review, the Board and Audit Committee re-assess the adequacy and effectiveness of the internal audit function, and consider the need to entrust the internal audit function to external professionals. These internal control lapses include, *inter alia*,:-
- (i) the lack of an evaluation and selection process for the appointment of exclusive distributors;
  - (ii) the lack of an evaluation and approval process for new wholesale customers;
  - (iii) the lack of policies and procedures relating to the approval of significant transactions;
  - (iv) the lack of documentation for internal reviews / approvals of agreements or payments;
  - (v) the lack of policies to address conflicts of interest and insufficient controls / processes in place to identify related party transactions and interested person transactions;
  - (vi) incomplete / outdated records of authorised bank signatories; and
  - (vii) authorised bank signatories who were neither employees nor officers of the Group.
3. Listing Rule 1405 provides that the Exchange may exercise administrative powers for the purposes of ensuring that the market is fair, orderly and transparent. In this regard, the Exchange may, *inter alia*,: (a) require an issuer to appoint compliance advisers or other independent professionals for specified purposes under Listing Rule 1405(1)(f); and/or (b) impose any other requirements on an issuer which the Exchange considers appropriate under Listing Rule 1405(1)(k).
4. Listing Rule 904(4A) provides that the Exchange may deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into:

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<sup>1</sup> According to the Company's SGXNet announcement dated 19 August 2019, Ms Lo Ching has been suspended by the Company as she is being held under criminal custody and therefore not able to discharge her duties.

<sup>2</sup> According to the Company's SGXNet announcement dated 30 October 2019, Mr Hua Min has been suspended by the Company because the Board is investigating his purported breaches of the Group's delegation of authority protocol.

<sup>3</sup> According to the SAR, Ms Jennifer Wang's role as COO of Nature's Farm was terminated effectively on 14 August 2019. She subsequently resigned as a director of Nature's Farm with effect from 15 November 2019.

(a) a transaction with an entity at risk; and (b) an agreement or arrangement with an interested person in connection with that transaction.

5. In light of the above and in particular paragraphs 2(a) and (b), 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 Audit Committee 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; and
  - (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.
6. In addition and as set out in the 2<sup>nd</sup> NOC, 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.
7. Pursuant to Listing Rule 1405(4), failure to comply with the requirements imposed by SGX RegCo shall be deemed to be a contravention of the Listing Rules.
8. Please note that compliance with this Notice does not constitute a waiver of any kind, and SGX RegCo reserves the right to take disciplinary action against the Company and/or any Relevant Person(s) for breaches of the Listing Rules, including any failure to comply with the requirements imposed by SGX RegCo.

Yours faithfully

**June Sim**  
Senior Vice President  
Head, Listing Compliance  
SGX RegCo