

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

ENTRY INTO DISTRIBUTION AGREEMENT

1. INTRODUCTION

The Board of Directors (the “**Directors**”, or the “**Board**”) of **Camsing Healthcare Limited** (the “**Company**”) wishes to announce that the Company has on 12 July 2016 (the “**Effective Date**”) entered into a distribution agreement (the “**Distribution Agreement**”) with H2O Life Source (SEA) Private Limited (“**H2O Life Source**”). In conjunction with the Distribution Agreement, H2O Life Source has granted to the Company a right and option to purchase (“**Option**”) up to such number of shares that will after such purchase represent 51% of the subscription rights, or the issued and outstanding shares (“**Option Shares**”) in an entity to be nominated by H2O Life Source (the “**Nominated Entity**”) (the “**Proposed Acquisition**”).

2. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION UNDER THE DISTRIBUTION AGREEMENT

2.1 The exercise price for the Option (the “**Option Exercise Price**”) shall be equal to 51% of the equity value of the Nominated Entity (the “**Equity Value**”) which shall be based on an arms’ length pre-agreed valuation formula between the parties to the Distribution Agreement taking into account, *inter alia*, the profits of the Nominated Entity, provided that the minimum Equity Value shall be S\$1,000,000 in the event the Company has not purchased a minimum of S\$1,000,000 of products under the Distribution Agreement during the period from the Effective Date through the second anniversary of the Effective Date and/or proposes to exercise the Option prior to the Option becoming exercisable.

2.2 If exercised, the Option Exercise Price shall be satisfied by way of cash. The Option Exercise Price was arrived at on a willing-buyer, willing-seller basis after arms’ length negotiations. No independent valuation was carried out on the Option Shares.

2.3 Under the terms of the Distribution Agreement:

(a) the Option may be exercisable by the Company, subject to the terms and conditions of the Distribution Agreement, beginning from the second anniversary of the Effective Date and ending 90 days thereafter; and

(b) the Option will automatically expire in the event that the Distribution Agreement is properly terminated in accordance with the termination provisions of the Distribution Agreement

(collectively, the “**Option Exercise Period**”).

2.4 The Distribution Agreement provides that, notwithstanding the expiration of the Option Exercise Period, the Company shall be entitled to purchase the Shares pursuant to an exercise of an Option if and to the extent that the Company exercised such Option prior to the expiration of the applicable Option Exercise Period.

3. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

3.1 The Proposed Acquisition is not expected to have any material impact on the net tangible assets per share or earnings per share of the Company or the Group for the current financial year ending 31 January 2017.

3.2 Based on the audited consolidated financial statements of the Group for the financial year ended 31 January 2016, none of the relative figures in respect of the Proposed Acquisition, computed on the applicable bases set out in Rule 1006 of the listing manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) exceed 5% and the Proposed Acquisition is therefore considered a non-discloseable transaction as defined under Chapter 10 of the Listing Manual.

The relative figure under Rule 1006(b) cannot be determined as at the date of this announcement, as the Nominated Entity has not been incorporated and has not recorded any profits. The relative figure under Rule 1006(c) may only be computed based on the Option Exercise Price at the time of the exercise of the Option which cannot be determined as at the date of this announcement. However, if the relative figure under Rule 1006(c) computed based on the Option Exercise Price at the time of the exercise of the Option compared with the Company’s market capitalisation¹ exceeds 5%, the Company will make further announcements as required and seek approval of the Company’s shareholders if necessary. The relative figure under Rule 1006(d) is not applicable as no equity securities will be issued for the Proposed Acquisition.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, directly or indirectly, in the Proposed Acquisition, save for their respective shareholdings in the Company (if any).

5. CAUTIONARY STATEMENT

Shareholders of the Company should note that the terms of the Proposed Acquisition are indicative only. There is no certainty or assurance as at the date of this announcement that the Option will be exercised and/or that the Proposed Acquisition will be completed. Accordingly, shareholders of the Company are advised to exercise caution when trading in the Shares of the Company.

The Company will make the necessary announcements when there are further developments on the Proposed Acquisition and other matters contemplated by this announcement. 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
CAMSING HEALTHCARE LIMITED

Lo Ching
Executive Chairman
12 July 2016

¹ The Company’s market capitalisation is computed based on 29,999,993 shares of the Company in issue as at the date of this announcement multiplied by the volume weighted average of S\$0.82 for each Share traded on the SGX-ST on 8 July 2016 (being the full market day immediately preceding the date of the Distribution Agreement).