

CAMSING HEALTHCARE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 197903888Z)
(the “**Company**”)

ENTRY INTO INVESTMENT AGREEMENT AND LOAN AGREEMENT

The Company would like to remind all shareholders that trading in the Company’s shares is currently suspended and the proposed Investment Agreement is subject to, amongst others, the Company submitting a resumption of trading proposal to the Singapore Exchange Securities Trading Limited (the “SGX-ST”), and the clearance of the resumption of trading proposal by the SGX-ST. As such, shareholders and investors are advised to exercise caution when dealing in the Company’s shares and to refrain from taking any action in respect of their shares and/or investment in the Company which may be prejudicial to their interest. Persons, who are in doubt, as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

Capitalised terms in this announcement shall have the same meanings as ascribed to them in the Loan Agreement (defined below) and Investment Agreement (as defined below) unless otherwise defined.

1. INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of Camsing Healthcare Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has executed an investment agreement (the “**Investment Agreement**”) and a loan agreement (the “**Loan Agreement**”) with Qiren Holdings Pte. Ltd., an investor (the “**Investor**”) on 25 December 2021.

2. BACKGROUND ON THE INVESTOR

The information on the Investor below was provided to the Company by the Investor and its representatives. The Directors did not conduct an independent review or verification of the accuracy of some of the statements and information set out below, especially those relating to the business conditions of QO.

- 2.1 The Investor is a private limited company incorporated in Singapore as a special purpose vehicle for the purpose of making investments in the Company on the terms and subject to the conditions of the Investment Agreement.
- 2.2 The Investor is wholly-owned by Mr. Lin Qiren, who also owns and leads Qiren Organisation (“**QO**”). QO, which was founded in 2017, is one of the largest financial service organisations in Singapore specialising in coverage for families and children. QO is also an authorized representative of AIA Singapore Pte. Ltd. (“**AIA**”), and has consistently been recognized by AIA as its one of its leading insurance agencies.
- 2.3 QO’s high standards of financial services are supported by its innovative approach in serving the needs of families and children through collaborations and partnerships with leading reputable partners across the healthcare, telecommunications, entertainment and education sectors to promote learning holistic wellness and family bonding. It also employs an in-house marketing, creative, administrative and technology department, which supports its financial servicing teams and increases the production value of its agents.
- 2.4 With a strong focus on community and relationship-building, QO currently operates of two innovative offices in the north and west regions of Singapore, which are equipped with amenities such as a theatrette, café, indoor playground and library, as well as ample workspaces for its staff. These spaces create a conducive and pleasant environment which promotes community building and engagement between its customers and its agents.

- 2.5 QO has been a member of the Singapore Fintech Association since 2019 and has been a winner of the “Great Companies for Dads Awards 2021” launched by the Centre for Fathering Ltd (in partnership with Families for Life and in support of the Made for Families initiative) which recognises outstanding organisations with policies and practices that support fathers and help them thrive in the workplace. As a testament to its consistent quality of service, approximately 30% of its financial consultants received the “Million Dollar Round Table”¹ award in 2021.
- 2.6 The Investor has no connection (including business relationships) with the Company, its Directors or substantial shareholders and are not persons to whom the Company is prohibited from issuing shares to, as provided by Rule 812(1) of the SGX-ST Listing Manual.
- 2.7 The Investor was introduced to the Company by JQ Capital Pte. Ltd. (Company Registration No. 201810943E), a company incorporated in Singapore, providing business consultancy services (the “**Introducer**”). The Introducer was engaged by the Investor to look for healthcare-related investment opportunities. In the course of its normal dealings as part of its business consultancy services, the Introducer was made aware of the Company and the Company’s search for investors. The Introducer then approached the Company and connected the Investor with the Company. As the Introducer was engaged by the Investor, no commission or fee was paid or is payable to the Introducer by the Company with respect to the Investment Agreement and the Loan Agreement.

3. RATIONALE FOR INVESTMENT AGREEMENT AND THE LOAN AGREEMENT, AND INTENDED USE OF PROCEEDS

- 3.1 The Group’s main business consists of distribution of health foods and supplements in Singapore, predominantly through its retail outlets. In order to pre-empt escalating COVID-19 infections in Singapore, since April 2020, the Singapore government has been implementing varying degrees of “circuit breaker” measures. These measures have severely affected the bulk of the retail industry, including the Group, due to restricted face-to-face service at the Group’s retail outlets. These constraints added to the ongoing challenges due to corporate issues faced by the Group in the last 2 to 3 years.
- 3.2 To overcome these challenges, the Group has conducted a major strategic review to identify past weaknesses, to identify changes in its operating environment and to devise new growth strategies to enhance the value proposition of Nature’s Farm Pte Ltd (“**Nature’s Farm**”) beyond the traditional sale and distribution of health food and supplements through physical outlets. This review has identified the current weakness of the Nature’s Farm’s business – that it has a limited product range, the branding amongst its target consumer groups is not particularly strong, and it was slow to digitize and develop online strategies. The Company further notes that people staying at home and not visiting physical stores have made online purchasing spread widely, even among those who may have been reluctant to use it before.
- 3.3 Many of the aforementioned challenges have to be tackled promptly. However, significant capital and time are required to implement these plans. The financing provided by the Investor is critical to the recovery and turnaround of Nature’s Farm and by extension, of the Group, due to the challenges faced by the Group as disclosed in the foregoing paragraphs, failing which the business of the Group is expected to continue to decline.
- 3.4 Since the trading suspension of the Company’s shares, the Company has been looking for investor(s) to aid the Group in its turnaround. To that end, the Company has assessed various options and investment proposals. It is apparent from the signed letter of intent from the Investor and the subsequent negotiations that there is a clear interest on the part of the Investor to inject fresh funds into the Company so as to bolster and grow the existing business and operations of the Group. The Investor is keen to invest in the Company due to the potential and status of Nature’s Farm as a homegrown brand with nearly 40 years of history.

¹ The Million Dollar Round Table (“MDRT”) is a global, independent association that recognizes top performing life insurance and financial services professionals from more than 500 companies in 70 nations and territories. Please see <https://www.mdr.org/> for more information on the MDRT.

- 3.5 The financing provided by the Investor under the Investment Agreement and the Loan Agreement will allow the Group to immediately commence the implementation of much-needed initiatives for its business, which will include:
- 3.5.1 a comprehensive review and expansion of the product range offered by Nature's Farm with an aim to provide for to post-pandemic wellness and health needs;
 - 3.5.2 an update of the brand image of Nature's Farm at all of its physical and online outlets and ramping up its publicity efforts through collaborations and joint-marketing projects with other providers of services and products;
 - 3.5.3 an increase in adoption and marketing through social media platforms;
 - 3.5.4 building up business-to-business ("B2B") collaborations with reputable partners in complementary industries;
 - 3.5.5 accelerating efforts to out-source of non-essential functions through B2B collaborations or otherwise so as to achieve greater revenue accretion with an asset-light model; and
 - 3.5.6 an overhaul of Nature's Farm's current digital strategy with the aim of leapfrogging beyond the traditional model of online sales and to capitalize on emerging digital opportunities involving apps, loyalty tokens, e-wallets, blockchains and the metaverse.
- 3.6 The Group will also benefit from the experience and expertise of the Mr. Lin, who is experienced in conducting and implementing effective digital strategies and B2B collaborations.
- 3.7 Pursuant to the consideration above, the Board is of the view that the Investment Agreement and Loan Agreement are beneficial to the Company, as the Investment Agreement and Loan Agreement allow for certainty of immediate funding to meet the Group's capital needs to commence and implement the above-mentioned initiatives.
- 3.8 The estimated gross proceeds to be raised, assuming (a) the complete disbursement of the Loans (as defined herein) under the Loan Agreement, (b) the allotment and issue to the Investor 102,166,007 Shares at an issue price of S\$0.042 per Investment Share, and (c) the exercise of all 167,834,000 Options (as defined herein) at an exercise price of S\$0.042 for each Share, would be S\$11,340,000.29 (the "**Investment Proceeds**"). The Company intends to use the Investment Proceeds for the following purposes:

Use of Investment Proceeds	Amount	Estimated percentage of Investment Proceeds
Expenses related to sales and marketing business initiatives described in paragraph 3.5 above	S\$4,600,000	41%
Expenses related to new product sourcing and launching	S\$3,500,000	31%
Acquisition of capital expenditure	S\$900,000	8%
General working capital needs	S\$2,090,000	18%
Expenses related to the implementation and completion of the Investment	S\$250,000	2%

- 3.9 The Company will make periodic announcements on the utilisation of the Investment Proceeds as and when the Investment Proceeds are materially disbursed or utilised, and whether such

use is in accordance with the percentage allocated in this announcement. The Company will also provide a status report on the use of the Investment Proceeds in the Company's annual report. Where there is any material deviation from the stated use of the Investment Proceeds, the Company will announce the reasons for such deviation. Where the Investment Proceeds are to be used for working capital, the Company will disclose a breakdown with specific details on the use of the Investment Proceeds for working capital in its announcements and annual reports.

3.10 The Directors are of the opinion, after taking into consideration:

3.10.1 the present bank facilities available to the Group, that the working capital available to the Group is sufficient to meet its present requirements, and that the Company is accepting the financing from the Investor in order to strengthen its financial position and to enable the undertaking of new business initiatives; and

3.10.2 the present bank facilities available to the Group and the net proceeds from the proposed investment, that the working capital available to the Group is sufficient to meet its present requirements.

3.11 The Investment (as defined herein) is intended to be made pursuant to the private placement exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Investment.

4. SALIENT TERMS OF THE INVESTMENT AGREEMENT

4.1 Pursuant to the Investment Agreement and subject to the terms and conditions of the Investment Agreement, the Investor agrees to subscribe for and pay in readily available funds, and the Company agrees to: (i) allot and issue to the Investor 102,166,007 Shares ("**Investment Shares**") at an issue price of S\$0.042 per Investment Share; and (ii) grant the Investor 167,834,000 share options (the "**Options**") at an aggregate price of S\$1 for the entirety of the 167,834,000 Options (collectively, the "**Investment**").

4.2 The key terms of the Investment Agreement are as follows:-

(a) Payment of the total amount to be paid by the Investor for the subscription of the Investment Shares and the grant of the Options (the "**Consideration**") shall be set-off against any outstanding amounts owed by the Company to the Investor under the Loan Agreement (the "**Set-Off**"). Any remaining Consideration shall be paid in cash to the Company. In allowing the Set-Off and immediately prior to the occurrence of the Set-Off, the Investor agrees that any interest accrued under the Loan Agreement shall be waived and forgiven, and shall not be included as part of the Set-Off;

(b) The Investment is conditional upon, *inter alia*:

(i) the agreement on the terms of a repayment plan agreed between the Group and specified creditors (whether individually or collectively) to, *inter alia*, crystallise its debts (the "**Repayment Plan**"), on terms satisfactory to the Investor; and

(ii) the Company having procured, on or prior to the date of the circular to be issued to the Shareholders to seek the approval of the Independent Shareholders for, *inter alia*, the Whitewash Resolution (defined below), the Investment Shares Resolution (defined below) and/or the Option Shares Resolution (defined below) (as the case may be), a deed of undertaking from Creative Elite Holdings Limited (the "**Major Shareholder**") in favour of the Investor to pay to the Investor the aggregate value of the existing liabilities of the Company, including contingent liabilities, as at 30 November 2021 which has not been disclosed to the Investor by the Company (the "**Undisclosed Liabilities**"), provided that the aggregate value of the Undisclosed Liabilities is

more than S\$100,000, on terms to be agreed between the Major Shareholder and the Investor;

- (iii) all Regulatory Approvals having been obtained, and not having been withdrawn or revoked (if applicable), including without limitation, the following:
- (1) to the extent required by the SGX-ST, the approval from the SGX-ST of the circular referred to in sub-paragraph (ii) above;
 - (2) the receipt of the approval-in-principle from the SGX-ST in relation to the listing and quotation of the Investment Shares and the Option Shares on the mainboard of the SGX-ST, and such in-principle approval not having been withdrawn or amended, on or before the date falling five (5) Business Days after the date on which the conditions set out in Clause 3.1 of the Investment Agreement have been fulfilled or waived or such other date as may be mutually agreed between the Investor and the Company (the "**Completion Date**"); and
 - (3) the approval-in-principle from the SGX-ST for the proposed resumption of the trading of the Company's Shares on the mainboard of the SGX-ST and such in-principle approval not having been withdrawn or amended, on or before the Completion Date; and
 - (4) confirmation from the Securities Industry Council of Singapore (the "**SIC**") that the Investor and parties acting in concert with the Investor will not be required to make a general offer for the Company pursuant to the Singapore Code on Take-overs and Mergers (the "**Code**") as a result of the allotment and issue of the Investment Shares and the Option Shares, and where such waiver is subject to any conditions, such conditions being reasonably acceptable to the Investor and the Company (as the case may be) (the "**SIC Waiver**"), and such SIC Waiver not having been withdrawn or amended, on or before the Completion Date;
- (iv) the approval of the Shareholders who are considered independent for the purposes of the investment by the Investor in the Company on the terms and conditions of the Investment Agreement (the "**Investment**") and hence are entitled to vote for the purposes of the Whitewash Resolution (defined below), the Investment Shares Resolution (defined below) and/or the Option Shares Resolution (defined below) (as the case may be) (the "**Independent Shareholders**") of the following having been obtained at the meeting of the Shareholders to be convened to approve the Investment Shares Resolution, the Option Shares Resolution, and if required or imposed by SIC, the Whitewash Resolution, and includes any adjournment thereof (the "**Company EGM**"):
- (1) approval by the Shareholders on a change of name of the Company to a name to be mutually agreed between the Investor and the Company;
 - (2) the ordinary resolution to be approved by the Independent Shareholders approving the allotment and issue of the Investment Shares to the Investor on the terms and conditions of the Investment (the "**Investment Shares Resolution**");
 - (3) the ordinary resolution to be approved by the Independent Shareholders approving the allotment and issuance of the Options and the Option Shares to the Investor (the "**Option Shares Resolution**");

- (4) if required or imposed by SIC as a condition to the SIC Waiver, the resolution(s) to be approved by way of an ordinary resolution on a poll by the Independent Shareholders to waive their rights to receive a general offer from the Investor and/or parties acting in concert with the Investor, pursuant to the Code as a result of the Investment and the Repayment Plan (if necessary) (the “**Whitewash Resolution**”); and
 - (5) any other corporate action(s) as may be required by law or the Listing Rules or in connection with the transactions contemplated by the Investment Agreement as may be necessary; and
 - (6) the results of legal, financial and commercial due diligence in respect of the Company being satisfactory to the Investor;
- (c) In the event that the Company terminates the Investment Agreement in order to accept an investment from another investor:
 - (i) the Company shall be liable to pay the Investor S\$12,600, an amount equivalent to 1% of the value of the Company, with the value of the Company calculated based on the issue price of S\$0.042 per Share and a total of 29,999,993 issued and paid-up Shares (the “**Inducement Fee**”); and
 - (ii) all outstanding sums under the Loan Agreement shall be immediately due and payable, notwithstanding the terms of the Loan Agreement;
- (d) In the event that the Investor decides to terminate the Investment Agreement in order to undertake an investment in another listed vehicle, the Investor shall be liable to pay to the Company the Inducement Fee;
- (e) Subject to paragraphs 4.2(f) and 4.2(g) of this announcement, each of the Investor and the Company shall bear and pay for its own costs and expenses (including legal fees) incurred by any of them in connection with the negotiation, preparation, printing, and execution of Transaction Documents and any of the transactions contemplated therein. For the avoidance of doubt, the Company shall be entitled to use the proceeds of the Loans (defined below) extended to the Company under the Loan Agreement to bear such costs incurred by it;
- (f) Subject to paragraph 4.2(g) of this announcement, in the event that the any of the transactions contemplated in the Investment Agreement are not completed, the Investor shall bear and pay for the costs and expenses (including legal fees) incurred by the Company in connection with the negotiation, preparation, printing, and execution of the Transaction Documents and any of the transactions contemplated therein, up to a maximum of S\$0.4 million. Any liability incurred by the Investor under this paragraph 4.2(f) shall be effected through a waiver of the principal sums then outstanding and owing to the Investor by the Company under the Loan Agreement. For the avoidance of doubt, this paragraph 4.2(f) applies in the event where the Investor decides to terminate the Investment Agreement in order to undertake an investment in another listed vehicle;
- (g) In the event that any of the transactions contemplated in the Investment Agreement are not completed and such non-completion is materially attributable to (i) a breach by the Company of certain provisions of the Investment Agreement; or (ii) any act (or lack thereof) of the Company or the Major Shareholder to perform (or procure the performance of) any act or thing, or to execute or deliver (or procure the execution and delivery of) any document, as may be required by law or as may be reasonably required to implement and/or give effect to the Investment Agreement and the transactions contemplated by it, provided always that (x) it was within the ability of the Company or the Major Shareholder to perform (or procure the performance of) such act or thing (or lack thereof), or to execute or deliver (or procure the execution and delivery of) such document, and (y) the Company or the Major Shareholder failed to employ their

respective best endeavours, the Company shall bear and pay for the Investor's costs and expenses (including legal fees) incurred by Investor in connection with the negotiation, preparation, printing, and execution of the Investment Agreement, the Loan Agreement and any other documents referred to in the Investment Agreement up to a maximum of S\$0.4 million;

- (h) For the purposes of paragraphs 4.2(e) to 4.2(g) of this announcement, in the event that the SIC declines or refused to provide the SIC Waiver, or provides a conditional SIC Waiver, for reasons in connection with the terms of paragraphs 4.2(e) to 4.2(g) of this announcement, the Investor and the Company agree to renegotiate the terms of paragraphs 4.2(e) to 4.2(g) of this announcement in good faith for the purposes of obtaining the SIC Waiver or an unconditional SIC Waiver (as the case may be);
- (i) The Company represents and warrants to the Investor and its successors in title that, *inter alia*, the following statements are true and accurate and not misleading as of the date of the Investment Agreement:
 - (i) save for RSM Corporate Advisory Pte Ltd, no single creditor of the Company holds 20% or more of the value of its Total Non-Intercompany Debt (defined below), as at 30 November 2021;
 - (ii) save for United Overseas Bank Limited, no single creditor of William Jacks & Company (Singapore) Private Limited holds 10% or more of the value of its Total Non-Intercompany Debt (defined below), as at 30 November 2021;
 - (iii) save for I-Nitra Consulting Limited and the Major Shareholder, no single creditor of Nature's Farm Pte Ltd holds 10% or more of the value of its Total Non-Intercompany Debt (defined below), as at 30 November 2021; and
 - (iv) since 30 November 2021, there has been no material adverse change in the financial position or in the prospects of the Company and its subsidiaries and so far as the Company is aware, no event, fact or matter has occurred which is likely to give rise to any such change;
- (j) **"Total Non-Intercompany Debt"** is defined as, with respect to each of the Company or its subsidiaries (collectively, the **"Group Entities"**, and each a **"Group Entity"**):
 - (i) its total outstanding debt (which shall exclude any contingent liabilities save as expressly otherwise provided);
 - (ii) minus any liabilities between Group Entities; but
 - (iii) with respect to the Company, include the liabilities (contingent or otherwise) owed to the following entities:
 - (1) RSM Corporate Advisory Pte Ltd; and
 - (2) Deloitte & Touche LLP; and
- (k) The Company further warrants and represents to the Investor that each of the warranties will be true, accurate, and not misleading throughout the period from (and including) the date of the Investment Agreement up to (and including) the Completion Date (the **"Interim Period"**). For this purpose, each of the warranties shall be deemed to be repeated on each day of the Interim Period by reference to the facts and circumstances then subsisting. Any reference made to the date of the Investment Agreement (whether express or implied) in relation to any warranty shall be construed, in connection with the repetition of the warranties, as a reference to the date of such repetition.

4.3 The key terms of the Options under the Investment Agreement are as follows:

- (a) Exercise Rights:
- (i) upon and subject to terms and conditions of the Options (the "**Conditions**"), the Investor shall have the right, by way of exercise of the Options held by the Investor, at any time during any of the First Exercise Period (defined below), the Second Exercise Period (defined below) or the Third Exercise Period (defined below), unless such date is a date on which the Register of Members is closed or not a Market Day, in which event, such period shall end on the date prior to the closure of the Register of Members or immediate preceding a day on which SGX-ST is open for securities trading ("**Market Day**") (as the case may be) (the "**Exercise Period**"), in the manner set out in the Conditions and otherwise on the terms and subject to the Conditions, to subscribe for one (1) new ordinary share in the capital of the Company to be issued upon exercise of the Options, credited as fully paid, including, where the context admits, such new Shares arising from the exercise of any further Options as may be required or permitted to be issued in accordance with the Conditions ("**New Shares**") at the Exercise Price (defined below) (subject to adjustments in accordance with the Conditions) on the Exercise Date applicable to such Option;
 - (ii) the Investor may exercise:
 - (1) 47,952,571 Options, during the period commencing on and including the date of grant of the Options and expiring on first anniversary of the date of grant of the Options, unless such date is a date on which the Register of Members is closed or not a Market Day, in which event, such period shall end on the date prior to the closure of the Register of Members or immediate preceding Market Day (as the case may be) (the "**First Exercise Period**");
 - (2) 47,952,571 Options, during the period commencing on and including the date of grant of the Options and expiring on second anniversary of the date of grant of the Options, unless such date is a date on which the Register of Members is closed or not a Market Day, in which event, such period shall end on the date prior to the closure of the Register of Members or immediate preceding Market Day (as the case may be) (the "**Second Exercise Period**"); and
 - (3) 71,928,858 Options, during the period commencing on and including the date of grant of the Options and expiring on third anniversary of the date of grant of the Options, unless such date is a date on which the Register of Members is closed or not a Market Day, in which event, such period shall end on the date prior to the closure of the Register of Members or immediate preceding Market Day (as the case may be) (the "**Third Exercise Period**");
 - (iii) at the expiry of each Exercise Period, any Options which have not been exercised in accordance with the Conditions shall lapse and cease to be valid for any purpose;
- (b) In order to exercise the Option(s), the Investor must before 3.00 p.m. on any Market Day and before 5.00 p.m. on the last day of the relevant Exercise Period, provided that if such last day falls on a day other than a Market Day, then the Market Day immediately preceding the last day (the "**Expiration Date**"), during the relevant Exercise Period:

- (i) lodge the relevant form (for the time being current) as set out in the Conditions, for exercising the Options (the “**Exercise Notice**”), duly completed and signed by or on behalf of the Investor, at the registered office of the Company;
 - (ii) pay S\$0.042, being the sum payable in respect of each New Share for which the Investor will be entitled to subscribe upon exercise of an Option, such price subject to such adjustments as may be required in accordance with the Conditions (the “**Exercise Price**”); and
 - (iii) pay any stamp, issue, registration or other similar taxes or duties arising on the exercise of the relevant Options; and
- (c) There are provisions for anti-dilution adjustments on a proportionate basis to the Exercise Price or the Options in the event of a subdivision of shares, share consolidation, or other changes to the capital structure of the Company prior to the Expiration Date which shall result in the Options constituting a lower percentage of the total share capital of the Company than as anticipated as at the date of the Investment Agreement.
- (d) If notice is given by the Company to its members to convene a general meeting for the purposes of considering a members’ voluntary winding-up of the Company, the Investor shall be entitled upon and subject to the Conditions, at any time within six (6) weeks after the passing of such resolution for a members’ voluntary winding-up of the Company, by submission of the Exercise Notice(s) to the Company, together with all necessary payments payable, to elect to be treated as if he had had immediately prior to the commencement of such winding-up exercised the Options to the extent specified in the Exercise Notice(s) and had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. The Company shall give notice to the Investor in accordance with the Conditions of the passing of any such resolution within seven (7) days after the passing thereof. Subject to the foregoing, if the Company is wound up for any other reasons, all Options which have not been exercised at the date of the passing of such resolution shall lapse and the Options shall cease to be valid for any purpose.
- 4.4 When the Investment Shares are issued, and assuming that the entire number of the Options are exercised, the Investment Shares and Option Shares represent (i) approximately 900.00% of the existing issued and paid-up share capital of the Company as at the date of this announcement and (ii) approximately 90% of the enlarged issued and paid-up share capital of the Company after the issue of the Investment Shares and exercise of all Options. Under Rule 803 of the SGX-ST Listing Manual, an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in a general meeting. Therefore, specific shareholder approval will be obtained in accordance with Rule 803 of the SGX-ST Listing Manual.
- 4.5 The issue price of the Investment Shares and the Exercise Price of the Options represents a 96.07% discount to the prevailing market price of the underlying shares (i.e. 21 March 2019, being the last trading day prior to the suspension of the Company’s shares on SGX-ST) prior to the signing of the Investment Agreement. As the discount presents more than 10% of the prevailing market price as required under Rule 811(2)(a) of the SGX-ST Listing Manual, specific shareholder approval will be obtained in accordance with Rule 811(3) of the SGX-ST Listing Manual.
- 4.6 With respect to the issue price of the Investment Shares and the Exercise Price of the Options:
- (a) The Board refers to the announcement made by the Company on 13 December 2021 with respect to the Company’s application for waiver to comply with Rules 705(1), 705(2), 705(3), 707(1), 707(2), and 711A of the SGX-ST Listing Manual. As stated therein, the Company requires further time to announce, *inter alia*, its full-year financial result in respect of financial year ended 31 January 2020, its full-year financial result in

respect of financial year ended 31 January 2021, its half-year financial result for the financial period ended 31 July 2021, and its quarterly financial result for the financial period of 1 August 2021 to 31 October 2021. Therefore, the Board is unable to provide the relevant financials that would demonstrate the Group's need for financing at this point in time. Nonetheless, based on the relevant financials available to the Company, including the latest management accounts, the Board has given serious consideration to the Company's financial condition and is of the view that the Investment Agreement and Loan Agreement are beneficial to the Company and that the Company should enter into the Investment Agreement and Loan Agreement immediately to avail itself to the available financing under the Investment Agreement and the Loan Agreement.

- (b) The financial condition of the Company has deteriorated significantly since the suspension of the trading of its shares and the outbreak of the COVID-19 pandemic. The Board is of the view that, while the discount to the prevailing market price of the underlying shares is steep, the prevailing market price of the underlying shares is no longer representative of the Company's valuation. In this regard, the Board has commissioned an independent valuer to provide a more accurate assessment of the Company's valuation.
- (c) The Company has engaged AVA Associates Limited (the "**Valuer**") to perform a valuation on the 100% equity interest (the "**Equity Interest**") in the business of the Company and its subsidiaries (the "**Business**") as at 31 January 2021 (the "**Valuation Date**"). Based on the valuation report dated 25 December 2021 issued by the Valuer (the "**Valuation Report**"), the Valuer is of the opinion that as at the Valuation Date, the market value of the Equity Interest in the Business is reasonably stated in the amount of S\$900,000 (the "**Valuation**").
- (d) In arriving at the Valuation, the Valuer estimated the market value of the Equity Interest of the Business on the premise of a going concern, where the business will continue running normally using all of its assets to produce income, and in its current state as a private entity (on account of the illiquidity of the Company's shares). The value is estimated by applying the income approach which is primarily based on a discounted cash flow analysis of the Business's financial projections.
- (e) The Valuer has confirmed that the Valuation and Valuation Report is prepared in accordance with the International Valuation Standards (2020 edition) as published by the International Valuation Standard Committee.
- (f) Based on the number of issued shares as at the Valuation Date, being 29,999,993 ordinary shares and on the bases and assumptions as set out briefly above and in greater detail in the Valuation Report, the implied market value of each share is approximately S\$0.030.

4.7 Whitewash waiver

- (a) Under Rule 14.1 of the Code, where (a) any person who acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights in the company; or (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% voting rights, such person is required to make a mandatory general offer for all the shares in the company which he does not already own or control ("**Mandatory Offer**").
- (b) The fulfilment by the Investor of its obligations pursuant to the Investment Agreement may result in the Investor holding more than 30% of the enlarged share capital of the Company, thereby triggering a requirement for the Investor and parties acting in concert with him to make a Mandatory Offer. Therefore, the Investor intends to obtain a confirmation from the SIC that the Investor and parties acting in concert with the

Investor will not be required to make a general offer for the Company pursuant to the Code as a result of the allotment and issue of the Investment Shares and the Option Shares. The Whitewash Resolution may be required or imposed by SIC as a condition to the SIC Waiver.

5. SALIENT TERMS OF THE LOAN AGREEMENT

5.1 Pursuant to and subject to the terms and conditions of the Loan Agreement, the Investor shall loan to the Company up to an aggregate principal amount of S\$1.3 million, in three (3) tranches:

- (a) S\$300,000 (the “**First Loan**”);
- (b) S\$400,000 (the “**Second Loan**”); and
- (c) S\$600,000 (the “**Third Loan**”),

(collectively, the “**Loans**”).

5.2 The key terms of the Loan Agreement are as follows:

- (a) Subject to the voluntary prepayment the Loans, and unless an Event of Default has occurred, the Company shall pay all outstanding amounts under the Loans (together with any applicable interest and any other amounts payable by him to the Investor under the Loan Agreement) on the date 24 months from the date of the Loan Agreement (the “**Final Repayment Date**”);
- (b) The Company may, if it gives to the Investor not less than ten (10) Business Days (or such shorter period as the Investor may agree), prepay the whole (but not any part) of either the First Loan, the Second Loan, or the Third Loan on a date mutually agreed between the Company and the Investor. Any prepayment under the Loan Agreement shall be made together with accrued interest on the amount prepaid and without premium or penalty;
- (c) With respect to interest:
 - (i) Interest shall accrue on the outstanding principal sums of each Loan on a daily basis at a rate computed at twelve per cent. (12%) per annum until the date of which the relevant Loan is fully repaid;
 - (ii) Accrued interest on the Loans will be payable together with the principal amounts under the Loans on the Final Repayment Date; and
 - (iii) All accrued interest on the Loans shall be waived immediately following the completion of the Investment Shares and Option by the Investor pursuant to the Investment Agreement, or such other date as may be mutually agreed between the Company and the Investor;
- (d) The key Events of Default under the Loan Agreement are as follows:
 - (i) The Company not having procured, on or prior to the date of the circular dispatched to the shareholders of the Company in respect of the potential structure for potential capital investments (“**Potential Capital Investments**”) into the Company by the Investor, an irrevocable undertaking from the Major Shareholder to vote in favour of all of the shareholders’ resolutions at an extraordinary general meeting of the Company in respect of the Potential Capital Investments;
 - (ii) The Company not having procured, on or prior to the date of the circular dispatched to the shareholders of the Company in respect of the Potential Capital Investments, an irrevocable undertaking from the Major Shareholder

not to transfer or create any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect (“**Security**”) or Quasi Security (as defined in the Loan Agreement) over the Shares owned by the Major Shareholder without the written consent of the Investor;

- (iii) Any transfer of Shares owned by the Major Shareholder without the written consent of the Investor;
 - (iv) Any creation of any Security or any Quasi Security over the Shares owned by the Major Shareholder without the written consent of the Investor; and
 - (v) The termination of the Investment Agreement through no fault of the Investor;
- (e) On and at any time after the occurrence of the Event of Default (other than pursuant to paragraph 5.2(d)(v) of this announcement) which is continuing the Investor may, by notice to the Company:
- (i) declare that all or any part of the any, together with accrued interest, and all other amounts accrued or outstanding under the Loan Agreement be immediately due and payable, whereupon they shall become immediately due and payable; and/or
 - (ii) declare that all or part of any Loan be payable on demand, whereupon they shall immediately become payable on demand by the Investor.
- (f) On and at any time after the occurrence of the Event of Default pursuant to paragraph 5.2(d)(v) of this announcement which is continuing the Investor may, by notice to the Company, declare that the outstanding amounts under the Loan Agreement shall be repayable in accordance with the following schedule:
- (i) subject to paragraph 5.2(f)(iii) below, 20% of the principal amount outstanding as at the date of the receipt of the relevant written notice (together with any applicable interest on the amount repaid), to be repaid on a date that is six (6) months after the date of receipt of the relevant written notice from the Investor;
 - (ii) subject to paragraph 5.2(f)(iii) below, provided that the period between: (x) the date of receipt of the relevant written notice; and (y) the Final Repayment Date is more than three (3) months, 20% of the principal amount outstanding as of the date of receipt of the relevant written notice (together with any applicable interest on the amount repaid), to be repaid every three (3) months commencing from but excluding the date of the receipt of the relevant written notice from the Investor, until full repayment of the outstanding principal amounts under the Loan Agreement; and
 - (iii) if any, all remaining outstanding amounts under the Loan Agreement (together with any applicable interest) to be repaid on the Final Repayment Date.

5.3 Other terms customary of a transaction of this nature are included in the Loan Agreement.

6. FINANCIAL EFFECTS OF THE PROPOSED INVESTMENT

6.1 It is not possible to determine precisely the financial effects the transactions contemplated in the Investment Agreement would have on the Company until *inter alia* the Loans have been fully drawn and the Options have been fully converted into shares;

6.2 The Company has sought for an extension of time for the Company to convene its Annual General Meeting in respect of the financial years ended 31 January 2020 and 2021. Accordingly, the Company is unable to set out the financial effects of the Loans and the

transactions contemplated in the Investment Agreement based on the consolidated financial results for the financial year ended 31 January 2021. However, solely for the purposes of illustration, the Company has set out the financial effects of the Loans and the transactions contemplated in the Investment Agreement on the Company's share capital and Group's earnings per share and net assets value per share, based on the latest audited consolidated financial statements for the financial year ended 31 January 2019 ("FY2019").

6.3 The financial effects set out below are on the following bases and assumptions (assuming transaction cost are negligible);

- (a) the complete disbursements of the Loans;
- (b) the allotment and issue to the Investor 102,166,007 Shares at an issue price of S\$0.042 per Investment Share;
- (c) exercise of all 167,834,000 Options at an exercise price of S\$0.042 for each share;
- (d) the Set-Off; and
- (e) transaction costs of S\$250,000.

(collectively, "**Corporate Actions**")

6.4 Changes in share capital, loss per share and Net Asset Value

Share Capital	FY2019	After the Corporate Actions
Issued and paid-up share capital (S\$)	14,250,000	25,590,000
Total number of Issued Shares-end of year	29,999,993	300,000,000
Loss per share	FY2019	After the Corporate Actions
Net loss for the year as at FY2019 (S\$)	(6,571,000)	(6,821,000)
Number of issued shares	29,999,993	300,000,000
Loss per share (S\$)	(0.22)	(0.02)
Net asset value ("NAV") per share	FY2019	After the Corporate Actions
NAV (S\$)	4,201,000	15,291,000
Number of issued shares	29,999,993	300,000,000
NAV per share (S\$)	0.14	0.05

7. CHANGES TO SHAREHOLDINGS

Subject to Paragraph 6 above including without limitation the assumptions for, *inter alia*, the full allotment, issuance and exercise set out therein, for the purposes of illustration, the changes in the shareholding of the Company with respect to the Investor are set out below:

Upon full conversion:

Name	Number of existing Shares held	Shareholding prior to the issuance	Number of Investment Shares	Number of Option Shares	Shareholding (including the number of

		of the Investment Shares and Option Shares, as a percentage of the existing issued share capital of the Company ¹			Investment Shares and Option Shares) as a percentage of enlarged issued share capital of the Company ²
Qiren Holdings Pte. Ltd.	0	0.00%	102,166,007	167,834,007	90.00%
Creative Elite Holdings Limited⁽³⁾	25,008,120	83.36%	0	0	8.34%

1 Based on the number of on the number of Investment Shares and Option Shares divided by the existing issued and paid-up share capital of the Company of 29,999,993 fully paid-up ordinary shares immediately before the issuance of the Investment Shares and Option Shares, rounded to the nearest two decimal places.

2 Based on the number of Investment Shares and Option Shares divided by the enlarged issued and paid-up share capital of the Company of 299,999,993 fully paid-up ordinary shares immediately after the issuance of the Investment Shares and Option Shares, rounded to the nearest two decimal places.

8. APPROVAL FOR THE TRANSACTIONS CONTEMPLATED IN THE INVESTMENT AGREEMENT

8.1 The Company shall convene an extraordinary general meeting (“EGM”) to seek specific Shareholders’ approval for:

- (a) the change of name of the Company to a name to be mutually agreed between the Investor and the Company;
- (b) the issuance of Investment Shares to the Investor on the terms and conditions of the Investment Agreement;
- (c) the issuance of Option Shares to the Investor on the terms and conditions of the Investment Agreement; and
- (d) if required or imposed by SIC as a condition of the SIC Waiver, the Whitewash Resolution.

8.2 The corresponding circular containing the notice of the EGM shall be dispatched to Shareholders in due course.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or substantial shareholders of the Company and their respective associates have any interest, direct or indirect, in the Investment Agreement or the Loan Agreement, other than through their respective shareholdings (if any) in the Company.

10. DOCUMENTS AVAILABLE FOR INSPECTION

10.1 Copies of the following documents may be inspected at the Company's registered office at 24 Raffles Place, #20-03, Clifford Centre, Singapore 048621 during normal business hours for three (3) months from the date of this announcement:

- (a) the Constitution of the Company;
- (b) the Investment Agreement; and
- (c) the Valuation Report.

10.2 Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to enquiry.camsing@naturesfarm.com at least three (3) Business Days in advance to make a prior appointment to attend at the registered office of the Company to inspect the documents. Shareholders will need to identify themselves by submitting his/her/its full name as it appears on his/her/its CDP share records, contact number and NRIC/Passport/UEN number and state the manner in which he/she/it holds his/her/its Shares in the Company. Upon confirmation of the identity of the Shareholder, the Company will arrange a date when each Shareholder can come to the registered office to inspect accordingly. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time. As the Valuation Report will contain financial figures from the Company's management accounts which have not been announced yet, Shareholders who wish to inspect the above documents will have to execute a non-disclosure agreement in favour of the Company.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any Director who may have been delegated detailed supervision of the preparation of this announcement) have collectively and individually reviewed and approved the issue of this announcement, and have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate in all material aspects and that the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

12. CAUTIONARY STATEMENT

Shareholders should note that the Investment remain subject to several conditions precedent, including but not limited to, the SIC Waiver and the approval of the Independent Shareholders at the meeting of the Shareholders to be convened to approve the Investment Shares Resolution, the Option Shares Resolution, and if required or imposed by SIC, the Whitewash Resolution. There is no certainty or assurance that the conditions precedent can be fulfilled, or that the proposed transaction contemplated under the Investment Agreement and the Loan Agreement will be completed. Although the Company's shares are under suspension, shareholders and investors are advised to exercise caution when dealing in the Company's shares and to refrain from taking any action in respect of their shares and/or investment in the Company which may be prejudicial to their interest. Persons, who are in doubt, as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

BY ORDER OF THE BOARD

Liu Hui
Executive Director
27 December 2021