

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

APPOINTMENT OF SPECIAL AUDITOR

*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the Company's announcements dated 29 March 2019 on the Update in relation to trading halt and Notice of Compliance (the "**Announcements**")*

1. As a matter of background, the Audit Matters as referenced in the NOC relate to, inter alia, the following
 - a) Whether the parties in certain distribution agreements and consignment agreements are related parties, and whether the Group retained the risks and rewards embodied in the products originally sold under the distribution agreements. The total sales under these distribution agreements amount to approximately S\$9,687,000 in FY2017 and FY2018, representing 32.8% and 25.7% of sales in FY2017 and FY2018 respectively;
 - b) Whether the parties involved in a certain purchase agreement, amounting to approximately HK\$15,600,000 for FY2019, are related parties, related payments made, and refunds to be received;
 - c) Uncertainty over the recoverability of licence fee income amounting to S\$299,000 in FY2018, and the reversal of the licence fee income amounting to S\$294,750 in FY2019; and
 - d) Uncertainty over whether the Group's cashflow can meet its operating and financing needs for the next twelve (12) months after the end of the reporting period in view of the breach of certain bank covenants for credit facilities arising from two loans, of which the outstanding amounts are approximately S\$3.4 million in total.
2. In addition to the Audit Matters, the Company's auditors raised further issues in relation to Camsing Healthcare (Fuzhou) Medical Instrument Co Ltd ("**Camsing Fuzhou**"), a subsidiary incorporated in the People's Republic of China, in which the Company holds a 51% interest via Nature's Farm Pte Ltd with regards to purchases of medical supplies valued at RMB4 million from Camsing Fuzhou from a related party during FY2019 and an aggregate loan of RMB1.05 million from Camsing Fuzhou to a related party during FY2019 (collectively the "**Further Issues**")

3. The Board wishes to inform that in consultation with the SGX RegCo, the Board has appointed RSM Corporate Advisory Pte Ltd as the special auditor ("**Special Auditor**") to investigate into the Audit Matters and the Further Issues.

The Special Auditors will report their findings directly to SGC RegCo and keep SGX RegCo informed of any new information or significant events and/ or transactions that are material to the Company in the course of their work, and will regularly update SGX RegCo on the status of their review as work progresses.

The Company will make further announcement(s) on any material updates in relation to the special audit, as and when appropriate.

By order of the Board

Tay Chiew Sheng

Independent Director, Audit Committee Chairman

23 April 2019