

HEALTHBANK HOLDINGS LIMITED

(Company Registration Number: 201334844E)
(Incorporated in the Republic of Singapore)

ENTRY INTO NON-BINDING MEMORANDUM OF UNDERSTANDING

1. INTRODUCTION

The Board of Directors (the “**Board**”) of HealthBank Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that, the Company has on 1 November 2019 entered into a non-binding memorandum of understanding (“**MOU**”) with Ms. Wang Meijia (the “**Vendor**”, and together with the Company, the “**Parties**), pursuant to which, the Parties wish to enter into negotiations immediately with the intention of entering into a definitive sale and purchase agreement (“**SPA**”) on the acquisition by the Company of the entire issued share capital (the “**Sale Shares**”) of Libre Hospitality Limited (the “**LHL**”) from the Vendor, on the condition that LHL holds an investment in the Atlantis Garden, a service apartment development project located in Hainan Province, People’s Republic of China (the “**Project**”) (the “**Proposed Acquisition**”) before finalisation of SPA.

2. INFORMATION REGARDING LHL

LHL is an investment holding company limited by shares incorporated in the Hong Kong Special Administrative Region of the People’s Republic of China on 5 July 2018 and is principally engaged in the business of property investment.

The Vendor is a business associate of the Group whom introduces business opportunities to the Group from time to time, including the Proposed Acquisition. For avoidance of doubt, no introducer fee or commission paid or payable by the Group to the Vendor in relation to the Proposed Acquisition. The Vendor is the sole shareholder and the sole director of LHL since its incorporation. The Vendor does not hold any shares in the Company and is not related to the Group, the directors, controlling shareholders and substantial shareholders of the Company, and their respective associates.

3. SALIENT TERMS OF THE MOU

Pursuant to the MOU, the Parties agree to work together to evaluate the possibility of the Proposed Acquisition. If the Parties mutually agree to the Proposed Acquisition, the Parties shall discuss and negotiate in good faith on the terms and conditions of the SPA.

The MOU shall commence upon signing and continue in force for a period of 3 months or until the earlier execution of the SPA.

4. RATIONALE

The Proposed Acquisition, if entered into, is complementary to the Group’s business and is indicative of the Group’s commitment to identify new growth areas and opportunities, especially in the area of property investment or acquisition, with the goal of expanding and enhancing the performance and net asset value of the Group, and accordingly, enhancing the shareholders’ value.

5. THE PROPOSED TERMINATION OF THE EXISTING CALL OPTION AGREEMENT

The Board wishes to highlight that the wholly-owned subsidiary of the Group, Elite Management (Singapore) Pte. Ltd. (“**EMSP**”), had entered into a call option agreement dated 21 July 2018 (“**COA**”) with Mr. Zhang Li (“**Mr. Zhang**”) and Active Courage International Limited (“**BVI SPV**”) to acquire all of the issued share capital in LHL, the announcement of which was released on 23 July 2018.

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Pursuant to the COA, Mr. Zhang and the BVI SPV grant to EMSP the option to purchase all of the issued share capital in LHL (“**Call Option**”), subject to the completion of the restructuring exercise (the “**Restructuring**”) to be undertaken by Mr. Zhang and the BVI SPV within 30 days after the completion of the proposed subscription of 52% of the enlarged equity interest in Beijing Libre Commercial Management Co. Ltd. (currently known as Beijing Shengting Commercial Management Co., Ltd.) (“**Libre Beijing**”) by the Group (the “**Proposed Subscription**”).

The Proposed Subscription was completed on 8 August 2018. However, the Restructuring has not been completed as at the date of this announcement. Accordingly, the Company is of the view that there is a breach of obligation by Mr. Zhang and the BVI SPV under the terms of the COA and consequently, would have rendered the COA invalid. In addition, the Group has no intention to exercise the Call Option in view that Libre Beijing group’s performance is not up to the expectation and it wishes to diversify its investment risk by pursuing other new growth areas and opportunities. With that, the Company is currently seeking legal advice to effect a formal termination of the COA on or before the signing date of the SPA (the “**Proposed Termination**”). The Proposed Termination is not expected to have any material effects on the financial performance and position of the Group for the financial year ending 31 December 2019.

For avoidance of doubt, Mr. Zhang and the BVI SPV and their respective related parties and associates do not have any interest (direct or indirect) in the MOU, the SPA and the Project. The Vendor, LHL, the Project company are not related parties or associates of Mr. Zhang or the BVI SPV.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

7. FURTHER ANNOUNCEMENTS

The Company will also keep shareholders updated of any material developments in relation to the Proposed Acquisition and the Proposed Termination by way of announcements as and when appropriate.

8. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution in trading the shares of the Company as there is no certainty or assurance as at the date of this announcement that any SPA will be entered into or that any collaborations will be undertaken at all.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt as to the actions they should take.

BY ORDER OF THE BOARD

Peng Fei
Executive Director and Chief Executive Officer
1 November 2019

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This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). This announcement has not been examined or approved by Singapore Exchange Securities Trading Limited (the "SGX-ST"). The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Lee Khai Yinn (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.