

HEALTHBANK HOLDINGS LIMITED
AND ITS SUBSIDIARIES
(Incorporated in the Republic of Singapore)
(Registration No: 201334844E)

Unaudited Condensed Interim Consolidated Financial Statements
For the six-month financial period ended 30 June 2022

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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") and 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.

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HealthBank Holdings Limited and its subsidiaries

Condensed interim consolidated statement of comprehensive income

For the six-month financial period ended 30 June 2022

	Note	The Group		Change %
		RMB'000		
		HY2022	HY2021	
Revenue	4	233	99	>100
Other income				
- Interest income – loan to a related party		-	327	NM
- Others		92	29	>100
		92	356	(74)
Other (losses)/gains – currency exchange (loss)/gain, net		(206)	441	NM
Depreciation of property, plant and equipment		(3)	-	NM
Employee compensation		(712)	(704)	1
Finance costs		(275)	-	NM
Other expenses		(976)	(910)	7
Total expenses		(1,966)	(1,614)	22
Loss before income tax		(1,847)	(718)	>100
Income tax expenses	7	-	-	-
Loss for the financial period		(1,847)	(718)	>100
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation		460	(403)	NM
Other comprehensive income/(loss), net of tax		460	(403)	NM
Total comprehensive loss for the financial period		(1,387)	(1,121)	24
(Loss)/profit attributable to:				
Equity holders of the Company		(1,850)	(656)	>100
Non-controlling interests		3	(62)	NM
		(1,847)	(718)	
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company		(1,390)	(1,059)	31
Non-controlling interests		3	(62)	NM
		(1,387)	(1,121)	
Loss per share attributable to equity holders of the Company (RMB cents per share):				
Basic		(2.37)	(0.84)	NM
Diluted		(1.80)	(0.84)	NM

The diluted loss per share for HY2022 includes the effects of dilution from maximum number of conversion shares which can be issued pursuant to the convertible loans as at 30 June 2022 of 19,318,000 shares.

NM – Not Meaningful

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

HealthBank Holdings Limited and its subsidiaries

Condensed interim statements of financial position

As at 30 June 2022

	Note	Group		Company	
		30 Jun 22 RMB'000	31 Dec 21 RMB'000	30 Jun 22 RMB'000	31 Dec 21 RMB'000
ASSETS					
Current assets					
Cash and bank balances		6,356	7,909	5,805	7,097
Other receivables		30	360	2,426	2,108
Disposal group assets held for sales		308	-	-	-
		6,694	8,269	8,231	9,205
Non-current assets					
Financial assets, at FVTPL	10	55,227	55,227	-	-
Investment in subsidiary corporations	11	-	-	44,800	44,800
Other receivables		9,500	9,500	9,500	9,500
Property, plant and equipment		9	15	9	10
		64,736	64,742	54,309	54,310
Total assets		71,430	73,011	62,540	63,515
LIABILITIES					
Current liabilities					
Other payables		976	831	614	590
		976	831	614	590
Non-current liabilities					
Convertible loans		7,196	9,125	7,196	9,125
		7,196	9,125	7,196	9,125
Total liabilities		8,172	9,956	7,810	9,715
NET ASSETS		63,258	63,055	54,730	53,800
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	12	31,127	29,194	31,127	29,194
Equity component of convertible loans		1,099	1,442	1,099	1,442
Currency translation reserve		4,480	4,020	4,484	3,971
Retained profits		26,518	28,368	18,020	19,193
		63,224	63,024	54,730	53,800
Non-controlling interests		34	31	-	-
Total equity		63,258	63,055	54,730	53,800

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

HealthBank Holdings Limited and its subsidiaries

Condensed interim statements of changes in equity

For the six-month financial period ended 30 June 2022

The Group	Share Capital	Equity Component of Convertible Loan	Currency Translation Reserve	Retained Profits	Non-Controlling Interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	29,194	1,442	4,020	28,368	31	63,055
Issuance of shares	1,933	-	-	-	-	1,933
Total comprehensive income/(loss) for the financial period	-	-	460	(1,850)	3	(1,387)
Redemption of convertible loans	-	(343)	-	-	-	(343)
At 30 June 2022	31,127	1,099	4,480	26,518	34	63,258
At 1 January 2021	29,194	-	4,683	30,985	5,522	70,384
Share capital contributed by non-controlling interest	-	-	-	-	245	245
Issuance of convertible loans	-	2,141	-	-	-	2,141
Total comprehensive income/(loss) for the financial period	-	-	(403)	(656)	(62)	(1,121)
At 30 June 2021	29,194	2,141	4,280	30,329	5,705	71,649

The Company	Share Capital	Equity Component of Convertible Loan	Currency Translation Reserve	Retained Profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	29,194	1,442	3,971	19,193	53,800
Issuance of shares	1,933	-	-	-	1,933
Total comprehensive income/(loss) for the financial period	-	-	513	(1,173)	(660)
Redemption of convertible loans	-	(343)	-	-	(343)
At 30 June 2022	31,127	1,099	4,484	18,020	54,730
At 1 January 2021	29,194	-	4,693	21,517	55,404
Issuance of convertible loans	-	2,141	-	-	2,141
Total comprehensive income/(loss) for the financial period	-	-	(425)	10	(415)
At 30 June 2021	29,194	2,141	4,268	21,527	57,130

HealthBank Holdings Limited and its subsidiaries

Condensed interim consolidated statement of cash flows
For the six-month financial period ended 30 June 2022

	HY2022	HY2021
	RMB'000	RMB'000
Cash flows from operating activities:		
Loss before income tax for the financial period	(1,847)	(718)
Adjustments for:		
Depreciation of property, plant and equipment	3	-
Unwinding of discount on convertible loans	57	-
Interest income from loan to a related party	-	(367)
Unrealised currency translation differences	460	(403)
Operating cash flows before movements in working capital	(1,327)	(1,488)
Change in working capital:		
Trade and other receivables	25	49
Other payables	145	(115)
Net cash used in operating activities	(1,157)	(1,554)
Cash flows from investing activity:		
Share capital contributed by non-controlling interests	-	245
Net cash generated from investing activity	-	245
Cash flows from financing activities:		
Proceeds from issuance convertible loans, net of transaction costs	-	15,727
Proceeds from issuance of share capital	1,933	
Redemption of convertible loans	(2,329)	-
Net cash (used in)/generated from financing activities	(396)	15,727
Net (decrease)/increase in cash and cash equivalents	(1,553)	14,418
Cash and cash equivalents		
Beginning of financial period	7,909	1,226
End of financial period	6,356	15,644

1. General information

HealthBank Holdings Limited (the “**Company**”) is listed on the Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and incorporated and domiciled in Singapore. The address of its registered office is 15 Scotts Road #04-08, Singapore 228218, effective from 21 March 2022.

The principal activity of the Company is investment holding. The principal activities of its subsidiary corporations are investment holding, property investment and facilities management services.

2. Basis of preparation

The condensed interim consolidated financial statements for the six months ended 30 June (“**HY**”) 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”), except for the adoption of new and amended standards as set out in Note 2.1.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“**functional currency**”). The Company’s functional currency is Singapore Dollar (“**SGD**” or “**S\$**”). The financial statements are presented in Chinese Renminbi (“**RMB**”) as the presentation currency of the Group.

2.1 Interpretations and amendments to published standards effective in 2022

On 1 January 2022, the Group has adopted the new or amended SFRS(I)s and Interpretations of SFRSs (“**INT SFRS(I)s**”) that are mandatory for application for the financial period.

The adoption of these new or amended SFRS(I)s and INT SFRS(I)s did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial period.

2.2. Critical accounting estimates, assumptions and judgements

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2021.

2. Basis of preparation (cont'd)

2.2. Critical accounting estimates, assumptions and judgements (cont'd)

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Financial assets, at fair value through profit or loss ("FVPL")

The fair value of financial assets, at FVPL is being assessed by using a variety of methods and assumptions based on market conditions, macro and microeconomic information that existing as at balance sheet date.

(b) Expected credit loss allowance for other receivables

The Group has applied the general approach (12 months expected credit losses) in assessing the expected credit loss ("ECL") allowance for other receivables. In determining the ECL, the Group has assessed the probability of default and estimation of cash flows recoverable from the outstanding receivables.

As at each reporting date, the Group assesses whether the credit risk of a financial instruments has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, the loss allowance is measured at an amount equal to lifetime ECL.

(c) Convertible notes

Convertible notes that can be converted into share capital where the number of shares issued does not vary with changes in the fair value of the notes are accounted for as compound financial instruments. The gross proceeds of the convertible notes issued (including any directly attributable transaction costs) are allocated to the equity and liability components, with the equity component being assigned the residual amount after deducting the fair value of the liability component from the fair value of the compound financial instrument.

Subsequent to initial recognition, the liability component of convertible notes is measured at amortised cost using the effective interest method. The equity component of convertible notes is not re-measured. When the conversion option is exercised, the carrying amount of the liability and equity components will be transferred to the share capital. When the conversion option lapses, the carrying amount of the equity component will be transferred to equity component of convertible loans.

When a convertible note is being repurchased before its maturity date, the purchase consideration (including directly attributable costs, net of tax effects) is allocated to the liability and equity components of the convertible bond at the date of transaction. Any resulting gain or loss relating to the liability component is recognised in the profit or loss. In an exchange of convertible notes, the difference between the net proceeds of new convertible notes and the carrying value of the existing convertible notes (including its equity component) is recognised in the profit or loss.

3. Going Concern

In preparing the condensed interim consolidated financial statements, management has assessed the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

4. Segment and revenue information

The Group is organised into the following main business segments:

- a. HQ and other investing activities mainly relate to investment holding as well as Group level corporate services; and
- b. Property management mainly include landscaping, property and facilities management services.

The Group's chief operating decision-maker ("CODM") comprises the Chief Executive Officer and Executive Directors. Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions, allocate resources and assess performance. The Chief Executive Officer and Executive Directors consider the business from both geographical and business segment perspectives.

The CODM assesses the performance of the operating segments based on a measure of loss before interest, tax, depreciation and amortisation ("Adjusted LBITDA"). This measure basis excludes the effects of expenditure from the operating segments such as gains from disposal or impairment loss that are not expected to recur regularly in every period which are separately analysed. Interest income and finance expenses are not allocated to segments, as this type of activity is driven by the Group Treasury, which manages the cash position of the Group.

Sales between segments are carried out at market terms. The revenue from external parties reported to the CODM is measured consistent with that in the statement of comprehensive income.

4.1. Reportable segments

	HQ and Other Investing Activities		Property Management		Total	
	HY2022	HY2021	HY2022	HY2021	HY2022	HY2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue	-	-	233	99	233	99
Adjusted LBITDA	(1,357)	(592)	(211)	(126)	(1,569)	(718)
Depreciation of property, plant and equipment	(2)	-	(1)	-	(3)	-
Finance costs	(275)	-	-	-	(275)	-
Interest income from loan to a related party	-	327	-	-	-	327
Government grant	57	31	-	-	57	31
Segment assets	70,639	85,521	791	414	71,430	85,935
Segment liabilities	(8,066)	(14,286)	(106)	-	(8,172)	(14,286)

HealthBank Holdings Limited and its subsidiaries

Notes to the condensed interim consolidated financial statements

For the six-month financial period ended 30 June 2022

4. Segment and revenue information (cont'd)**4.2. Disaggregation segments**

	HQ and Other Investing Activities		Property Management	
	HY2022	HY2021	HY2022	HY2021
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Revenue</u>				
People's Republic of China	-	-	233	99
Singapore	-	-	-	-
	-	-	233	99
<u>Non-current assets</u>				
People's Republic of China	64,727	55,227	-	-
Singapore	9	-	-	-
	64,736	55,227	-	-

5. Financial assets and financial liabilities

	Group		Company	
	HY2022	FY2021	HY2022	FY2021
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Cash and bank balances	6,356	7,909	5,805	7,097
Financial assets, at FVPL	55,227	55,227	-	-
Other receivables*	9,501	9,556	11,897	11,520
	71,084	72,692	17,702	18,617
Financial liabilities				
Trade and other payables	(976)	(831)	(614)	(590)
Convertible loans	(7,196)	(9,125)	(7,196)	(9,125)
	(8,172)	(9,956)	(7,810)	(9,715)

* Excluded prepayments.

HealthBank Holdings Limited and its subsidiaries

Notes to the condensed interim consolidated financial statements

For the six-month financial period ended 30 June 2022

6. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

Key management personnel compensation is as follows:

	Group	
	HY2022	HY2021
	RMB'000	RMB'000
<u>Directors</u>		
Wages and salaries	228	252
Employer's contribution to defined contribution plans, including Central Provident Fund	20	20
Fees	147	150
	395	422
<u>Other key management personnel</u>		
Wages and salaries	206	398
Employer's contribution to defined contribution plans, including Central Provident Fund	30	34
	236	432
	631	854

7. Taxation

The Group calculate the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The Group recorded a loss before tax of RMB1.85 million in HY2022 and hence, income tax is not provided for the reporting period.

8. Dividends

No dividend is declared or recommended for HY2022 (HY2021: Nil) in view of the losses incurred in HY2022.

9. Net asset value

	Group		Company	
Net asset value ("NAV") per ordinary share	30 Jun 22	31 Dec 21	30 Jun 22	31 Dec 21
NAV attributable to equity holders of the Company (RMB'000)	63,224	63,024	54,730	53,800
Number of ordinary shares ('000)	81,800	78,000	81,800	78,000
NAV per ordinary share based on issued share capital (RMB)	0.77	0.81	0.67	0.69

HealthBank Holdings Limited and its subsidiaries

Notes to the condensed interim consolidated financial statements

For the six-month financial period ended 30 June 2022

10. Financial assets, at FVPLFair value measurements

The table below presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
<u>Group</u>				
30 June 2022				
Assets				
Financial assets, at FVPL	-	-	55,227	55,227
31 December 2021				
Assets				
Financial assets, at FVPL	-	-	55,227	55,227

As at 30 June 2022 and 31 December 2021, the financial assets, at FVPL is representing the investment in unquoted equity. The fair value of financial assets is being assessed by using a variety of methods and assumptions based on market conditions, macro and microeconomic information that existing at each balance sheet date. Financial assets, at FVPL is classified to Level 3 as significant unobservable inputs is used.

The fair value of current financial assets carried at amortised cost approximate their carrying amounts.

11. Investments in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

HealthBank Holdings Limited and its subsidiaries

Notes to the condensed interim consolidated financial statements

For the six-month financial period ended 30 June 2022

12. Share capital

<u>Group and Company</u>	<u>Number of shares '000</u>	<u>Issued and paid- up share capital RMB'000</u>
30 June 2022	81,800	31,127
31 December 2021	78,000	29,194

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Pursuant to a shares subscription exercise, the Company issued 3,800,000 ordinary shares at S\$0.105 per share on 30 June 2022 (equivalent to RMB1,933,000), to provide funds for the Group's general working capital purposes.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

On 22 March 2021, the Company entered into a Convertible Loan Subscription Agreement with 3 non-related subscribers pursuant to which the Company had on 28 May 2021 issued to the subscribers unsecured convertible loan notes (the "Notes") in an aggregate principal amount of S\$3,300,000. The Notes are interest free and may be converted at fixed conversion price of S\$0.088 (subject to adjustments in the manner set out in the terms and conditions of the Notes) into up to 37,500,000 ordinary shares in the share capital of the Company at any time up to the close of business on maturity date which falls on the day of the 36th month from the subscription date of the Notes. Any outstanding Notes as at the maturity date, will be redeemed by the Company at 100% of their principal amount.

On 23 December 2021, the Company has redeemed the Notes Issue from Shenyang Pufei Technology Co., Ltd, amounting to principal amount of S\$1,100,000 (approximately RMB5.2 million). On 24 June 2022, the Company has partially redeemed the Notes Issue from EnerIHC Holding Limited, amounting to principal amount of S\$500,000 (approximately RMB2.3 million).

Following the above redemptions, the aggregate principal amount of the outstanding Convertible Loan is S\$1,700,000 (approximately RMB8.3 million).

Save as disclosed, the Company did not have any outstanding options, convertibles, treasury shares and subsidiary holdings as at 30 June 2022 and 30 June 2021.

13. Subsequent events

On 22 July 2022, the Company has disposed the entire equity interest of Healthbank Technology Development (Liaoning) Limited, for a cash consideration of S\$250,000. The assets of the disposed subsidiary have been disclosed as "disposal group assets held for sales" in the condensed interim statement of financial position as at 30 June 2022.

Other Information Required by Appendix 7C of the Catalist Rules

1. Review

The condensed interim statements of financial position of HealthBank Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) as at 30 June 2022 and the related condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

The Group’s latest audited financial statements for the financial year ended 31 December 2021 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business

REVIEW OF FINANCIAL PERFORMANCE

Revenue

The Group recorded revenue of RMB233,000 in HY2022 from a facility and landscaping management service contract for the Atlantis Garden Project where the Group has a 8% indirect effective equity interest in the said project.

Other income

Other income decreased by RMB264,000 mainly due to the absence of interest income from a loan to a related party. No interest income is accrued in HY2022 as the Company and the related party are in the midst of discussion on the potential waiver of interest for the loan in view of the uncertainties arising mainly from the Chinese Government’s zero-COVID policy and its cooling measures on the real estate industry.

Other income of RMB92,000 in HY2022 includes RMB32,000 from employee for serving short notice and RMB60,000 received from government in relation to Job Growth Incentive (“**JGI**”), a financial support scheme by the Singapore Government to support employers to expand local hiring from September 2020 to March 2023.

Other (losses)/gains

Other (losses)/gains in HY2022 and HY2021 was mainly contributed by foreign exchange (loss)/gain.

Employee compensation

The employee compensation remained relatively constant as compared to HY2021.

Finance costs

The increase in finance costs of RMB275,000 was mainly due to unwinding effects from convertible loans.

2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business (cont'd)

REVIEW OF FINANCIAL PERFORMANCE (CONT'D)

Other expenses

The increase in other expenses of RMB66,000 was mainly due to the additional operating expenses incurred by HealthBank Technology Development (Liaoning) Limited, partially offset by the cost saving, mainly due to no bonus and training costs incurred in HY2022 and slightly decrease in rental from holding company.

Income tax expense/(credit)

No income tax is provided for HY2022 as the Group recorded a loss before tax in HY2022.

Loss for the financial period

The Group recorded a loss after tax of RMB1.85 million in HY2022 as compared to a loss after tax of RMB0.72 million in HY2021 mainly due to the foreign exchange loss of RMB206,000 (HY2021: foreign exchange gain of RMB441,000) and the absence of interest income on the loan to a related party of RMB327,000.

Non-controlling interests

The profit attributable to non-controlling interests amounted to RMB3,000 for HY2022 as compared to loss of RMB62,000 in HY2021.

REVIEW OF FINANCIAL POSITION

Current assets

Cash and bank balances decreased by RMB1.55 million, from RMB7.91 million as at 31 December 2021 to RMB6.36 million as at 30 June 2022. Please refer to the "Review of Cash Position" section below for further details on the material cash movements.

As at 30 June 2022, the Group has other receivables of RMB0.03 million, an decrease of RMB0.33 million from RMB0.36 million as at 31 December 2021 mainly due to utilisation of prepayments.

Non-current assets

No significant change in non-current assets as compared to 31 December 2021.

Current liabilities

Other payables increased by RMB0.15 million to RMB0.98 million as at 30 June 2022 from RMB0.83 million as at 31 December 2021, mainly due to the outstanding director fees for FY2021.

2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business (cont'd)

REVIEW OF FINANCIAL POSITION (CONT'D)

Non-current liabilities

Non-current liabilities comprise convertible loans of RMB7.20 million as at 30 June 2022. Please refer to Note 12 to the condensed interim consolidated financial statements for information in relation to the convertible loans.

The net proceeds from the issue of the convertible loans have been split between the liability element and an equity component in accordance to SFRS(I) 9 Financial Instruments.

Net current assets

Net current assets of the Group decreased by RMB1.72 million to RMB5.72 million as at 30 June 2022, from RMB7.44 million as at 31 December 2021, due mainly to decrease in cash and bank balances of RMB1.55 million.

Shareholders' equity

Equity attributable to equity holders of the Company increased by RMB0.20 million to RMB63.22 million as at 30 June 2022, from RMB63.02 million as at 31 December 2021. The increase is mainly due to the proceed from issuance of ordinary share capital pursuant to the placement and the currency translation gain arising from consolidation, partially offset by loss for the financial period and decrease in equity component of convertible loans due to partial redemption.

REVIEW OF CASH POSITION

Net cash used in operating activities of the Group amounted to RMB1.16 million for HY2022 was mainly due to operating cash outflows before movements in working capital of RMB1.33 million and offset by a decrease in trade and other receivables of RMB25,000 and an increase in other payables of RMB145,000.

Net cash used in financing activities of the Group amounted to RMB396,000 for HY2022 was due to the redemption of convertible loans of RMB2.33 million, partially offset by the proceeds from issuance of ordinary share capital pursuant to the placement of RMB1.93 million.

Overall, the Group recorded a net cash decrease of RMB1.55 million in HY2022.

The Group has cash and cash equivalents of RMB6.36 million as at 30 June 2022.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement disclosed to shareholders previously.

- 5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

Due to the ongoing COVID-19 pandemic, the travel easing measures in China continued to remain cautious as the Chinese Government continues to strive towards the zero-COVID policy, where only essential business trips are allowed while leisure trips remained restricted for both domestic and international travellers. The cooling measures on the real estate industry by the Chinese Government also have some negative impact on the sales of properties under the Atlantis Garden project (the Group's investment).

With the recent white paper on Hainan free trade port, the new government policies are expected to stimulate the economic conditions in Hainan. This will have a positive impact to our existing investment in Hainan.

In order to optimize the Group's capital structure, the Group has further redeemed S\$500,000 convertible note and completed new shares placement amounting to S\$399,000 in June 2022. Subsequently in July 2022, the Group has completed the disposal one of the subsidiary's entire equity interests, Healthbank Technology Development (Liaoning) Limited, for a consideration of S\$250,000, which brings in additional financial resources to the Group and the gain on disposal will be recorded in the Group's financial results in the second half of 2022.

The Group will continue to be vigilant in cost controls while always on the lookout for strategic partnerships and business opportunities that will broaden the Group's revenue stream, improve the Group's performance and enhance shareholders' value.

- 6. If a decision regarding dividend has been made: -**

(a) Whether an interim (final) dividend has been declared (recommended)

No dividend is declared for the current financial period reported on.

(b) (i) Amount per share in cents

Not applicable.

(ii) Previous corresponding period in cents

No dividend is declared for the corresponding period.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable.

(d) The date the dividend is payable

Not applicable.

HealthBank Holdings Limited and its subsidiaries

Other Information Required by Appendix 7C of the Catalyst Rules

For the six-month financial period ended 30 June 2022

6. If a decision regarding dividend has been made (cont'd): -

- (e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined

Not applicable.

7. If the Group has obtained a general mandate from shareholders for interested persons transactions ("IPT") the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Catalyst Rules. If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPT. There are no interested person transactions of S\$100,000 or more during the financial period under review.

8. Use of proceedsConvertible Loan

The Company refers to its previous announcements dated 23 March 2021, 13 April 2021 and 28 May 2021 ("**Previous Announcements**"). Unless otherwise defined, all capitalised terms used in this section shall bear the same meaning as the capitalised terms used in the Previous Announcements.

The Company received Net Proceeds of S\$3.28 million raised from the Convertible Loans and the utilisation of the Net Proceeds as at the date of this announcement is as follows:

Use of Proceeds	Allocation (S\$'000)	Redemption of convertible loan up to the date of this announcement (S\$'000)	Amount utilised as at 1 March 2022 (S\$'000)	Amount utilised after 1 March 2022 up to the date of this announcement (S\$'000)	Balance amount (S\$'000)
Business expansion and investment opportunities	2,480	(1,600) ⁽²⁾	(250) ⁽¹⁾	-	630
Working capital	800	-	(460) ⁽³⁾	(256) ⁽³⁾	84
Net Proceeds	3,280	(1,600)	(710)	(256)	714

Notes:

- (1) This pertains to payment made for share capital of HealthBank Technology Development (Liaoning) Limited incorporated on 6 April 2021. The Group has subsequently disposed of its entire shareholding interest in HealthBank Technology Development (Liaoning) Limited for a consideration of S\$250,000 and such consideration was received in July 2022.
- (2) This pertains to payments made for the redemption of the Convertible Loan amounting to S\$1.1 million as announced on 23 December 2021 and partial redemption of the Convertible Loan amounting to S\$0.5 million as announced on 24 June 2022.

8. Use of proceeds (cont'd)

- (3) This pertains to administrative expenses (approximately S\$413,000), salaries related expenses (approximately S\$296,000) and additional expenses for convertible loans (approximately S\$7,000).

The above utilisations were consistent with the intended use of proceeds from the Convertible Loan as disclosed in the Previous Announcements. The Company will continue to make periodic announcements on the utilisation of the balance of the Net Proceeds from the Convertible Loan.

Placement

The Company refers to its previous announcements dated 13 June 2022, 29 June 2022 and 30 June 2022 ("**Placement Announcements**"). Unless otherwise defined, all capitalised terms used in this section shall bear the same meaning as the capitalised terms used in the Placement Announcements.

The Company received net proceeds of S\$373,000 raised from the Placement and the utilisation of the net proceeds as at the date of this announcement is as follows:

Use of Proceeds	Allocation	Amount utilised as at the date of this announcement	Balance amount
	(S\$'000)	(S\$'000)	(S\$'000)
Working capital	373	(21) ⁽¹⁾	352

Note:

- (1) This pertains to payment for the professional fees with regards to the valuation fees and other due diligence incurred for a potential project in China.

The above utilisations were consistent with the intended use of proceeds from the Placement as disclosed in the Placement Announcements. The Company will continue to make periodic announcements on the utilisation of the balance of the net proceeds from the Placement.

9. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

10. Additional information required pursuant to Rule 706A of the Catalist Rules

There were no acquisition or sale of shares in any of the Group's subsidiary or associated company nor incorporation or winding up or striking off of any subsidiary or associated company by the Company or any of the Group's entities during HY2022.

11. Negative confirmation by directors pursuant to Rule 705(5) of the Catalist Rules

We, Peng Fei and Peng Weile, being two Directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company (the “**Board**”) that, to the best of the Board’s knowledge, nothing has come to the attention of the Board which may render the unaudited financial statement for the half year ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board

Peng Fei
Executive Director and CEO

Peng Weile
Executive Director

12 August 2022