

HealthBank Holdings Limited

(Company Registration Number: 201334844E)

(Incorporated in the Republic of Singapore)

DISPOSAL OF AN INDIRECT SUBSIDIARY IN CHINA

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of HealthBank Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its 100%-owned subsidiary, Elite Management (Singapore) Pte. Ltd. (“**EMSPL**”), had on 20 July 2022, entered into a Sales and Purchase Agreement (“**SPA**”) to dispose of its entire equity interests in its 100%-owned subsidiary, Healthbank Technology Development (Liaoning) Limited (康银科技发展(辽宁)有限公司) (“**HBTD**”) to Meshmellow Pte. Ltd. (Company Registration No.: 201812415H) (the “**Purchaser**”), for a cash consideration of S\$250,000 (approximately RMB1.2 million) (the “**Disposal**”). The Purchaser is not related to the Group, the Company’s Directors, controlling shareholders and their respective associates.

2. INFORMATION ON HBTD

HBTD was incorporated on 6 April 2021 for the purpose of investment in a real estate project in the People’s Republic of China. As at the date of this announcement, HBTD is a dormant company (the abovementioned real estate project did not take off), with registered capital of RMB3 million and paid-up capital of RMB1.2 million.

The key financial information of HBTD based on the pro forma audited consolidated financial statements of the HBTD for the full year ended 31 December 2021 (“**FY2021**”), is set out below:

- (a) Net tangible asset (“**NTA**”) amounted to RMB0.83 million as at 31 December 2021; and
- (b) net operating loss amounted to RMB0.38 million for FY2021.

The Disposal will result in:

- (a) excess net proceeds over the book value of HBTD amounting to RMB0.39 million which will be used for working capital; and
- (b) a gain on disposal amounting to RMB0.39 million.

Given the above and taking into account the sale price, the Board is of the view that no independent valuation on the HBTD is required for the Disposal.

3. RATIONALE OF THE DISPOSAL

HBTD is dormant to date and as mentioned above, the sale price is above NTA.

The Group’s business in China has been severely affected by the COVID-19 pandemic since early 2020 and there remains no visible certainty on the global economic outlook and our business outlook. The cross-border travel easing measures imposed in China continued to remain cautious as for the Chinese Government continue to strive towards the zero-COVID policy, where only essential business trips are approved while leisure trips are almost non-existent for international travelers. While businesses are resuming amidst of COVID-19 where the Group expects its business to perform better than that of 2021, the Group foresees that there will not be an obvious recovery in the near term. Thus, the Disposal is an opportunity for the Company to divest a loss-making business. The Board believes that the Disposal will

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improve the future financial prospects of the Group and will streamline the Group's business for better utilization of available resources.

4. SALIENT TERMS IN THE SPA

- 4.1. Pursuant to the terms of the SPA, EMSPL agrees to sell and the Purchaser agrees to purchase 100% equity interests in HBTD for a consideration of S\$250,000 (approximately RMB1.2 million) (the “**Consideration**”). The Consideration shall be satisfied wholly in cash at completion (“**Completion**”).
- 4.2. The Consideration was arrived at on a willing-buyer and willing-seller basis taking into consideration, among others, (a) the NTA of the HBTD of RMB0.83 million as at 31 December 2021; and (b) the net operating loss of RMB0.38 million for FY2021.
- 4.3. The Purchaser agreed to pay the Consideration of S\$250,000 by closing date, being 22 July 2022 or such other date as may be mutually agreed in writing between the parties, for Completion purpose.

5. FINANCIAL EFFECTS OF THE DISPOSAL

The pro forma financial effects of the Disposal set out below, based on the Group's latest audited consolidated financial statements for FY2021, are purely for illustration purposes only and do not reflect the actual future financial position and performance of the Company or the Group after the completion of the Disposal. The financial effects as shown below are prepared on the assumption that the expenses in connection with the Disposal have been disregarded as they are immaterial.

5.1. Net tangible assets (“**NTA**”) per share

The effect of the Disposal on the consolidated NTA per share of the Group as at 31 December 2021, assuming that the Disposal had been completed as at 31 December 2021 is as follows:

As at 31 December 2021	Before the Disposal	After the Disposal
NTA attributable to equity holders of the Company (RMB'000)	63,024	63,316
Number of issued shares (excluding treasury shares)	78,000	78,000
NTA per share (RMB)	0.81	0.81

5.2. Loss per share (“**LPS**”)

The effect of the Disposal on the consolidated LPS of the Group for FY2021, assuming that the Disposal had been completed as at 1 January 2021 is as follows:

FY2021	Before the Disposal	After the Disposal
Loss attributable to equity holders of the Company (RMB'000)	(3,643)	(3,265)
Number of issued shares (excluding treasury shares)	78,000	78,000
LPS (RMB)	(0.0467)	(0.0419)

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6. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

Based on the latest audited consolidated financial statements of the Group for FY2021, the relative figures for the Disposal computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") (the "Catalist Rules") are as follows:

Rule 1006	Description	Target asset	Group	Relative figure
		RMB'000	RMB'000	%
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	829	63,055	1.3%
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.	(378)	(3,857)	9.8%
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	1,217	36,625	3.3%
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable. There are no equity securities issued by the Company.		
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable. The Company is not a mineral, oil and gas company.		

Having considered paragraph 4.4(e) of Practice Note 10A of the Catalist Rules, as the relative figures computed under Catalist Rule 1006(a) and (c) are more than 5% but does not exceed 50% and the Disposal does not result in a loss on disposal, the Disposal constitutes a "discloseable" transaction under Chapter 10 of the Catalist Rules.

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7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Company's Directors, controlling shareholders and their respective associates has any interest, direct or indirect, in the Disposal (other than through their respective directorships and shareholding interests in the Company, if any).

8. SERVICE CONTRACTS WITH DIRECTORS

No person is proposed to be appointed as a Director of the Company in connection with the Disposal. Accordingly, no service contract is proposed to be entered into in connection with the Disposal.

9. FURTHER ANNOUNCEMENT

The Company will make further announcement when there is any material development and upon completion of the Disposal.

10. DOCUMENT FOR INSPECTION

A copy of the SPA is available for inspection during normal office hours at the Company's registered office at 15 Scotts, 15 Scotts Road, #04-08, Singapore 228218 for a period of 3 months from the date of this announcement.

11. DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Disposal, 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 the 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 its proper form and context.

BY ORDER OF THE BOARD

Peng Fei
Executive Director and Chief Executive Officer
20 July 2022

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.

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.