
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE (“HY”) 2019

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 the 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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CHANGE IN REPORTING CURRENCY

In the second half of 2018, the Group has decided to change its presentation currency from Singapore Dollar (“**SGD**”) to Chinese Yuan (“**RMB**”) with effect from 1 January 2018. Correspondingly, the HY2018 comparative figures have been restated to reflect the change in the Group's presentation currency. Please refer to Paragraph 4 of the announcement for more details on the rationale for the change in the Group's presentation currency.

HEALTHBANK HOLDINGS LIMITED
(Company Registration No.: 201334844E)

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		The Group		Change %
		RMB'000		
	HY2019	HY2018		
	Restated			
Revenue	2,376	1,632	46	
Other income	1	4	(75)	
Other gains - net	3,269	1,317	148	
Amortisation of intangible assets	(512)	-	NM	
Amortisation of right-of-use asset	(493)	-	NM	
Depreciation of property, plant and equipment	(15)	(8)	88	
Employee compensation	(4,123)	(2,411)	71	
Other expenses	(1,599)	(1,413)	13	
Total expenses	(6,742)	(3,832)	76	
Loss before income tax	(1,096)	(879)	25	
Income tax expense	(61)	(1)	NM	
Loss for the financial period	(1,157)	(880)	31	
Other comprehensive loss				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation	114	(242)	NM	
Other comprehensive loss, net of tax	114	(242)	NM	
Total comprehensive loss for the financial period	(1,043)	(1,122)	(7)	
Loss attributable to:				
Equity holders of the Company	(253)	(880)	(71)	
Non-controlling interests	(904)	-	NM	
	(1,157)	(880)	31	
Total comprehensive loss attributable to:				
Equity holders of the Company	(139)	(1,122)	(88)	
Non-controlling interests	(904)	-	NM	
	(1,043)	(1,122)	(7)	

NM – Not Meaningful

1(a)(ii) Additional information for the income statement

The Group's loss before tax for the financial period is derived at after charging/(crediting):

	The Group		
	HY2019	HY2018	Change
	RMB'000	RMB'000	%
		<i>Restated</i>	
Interest income – bank deposits	(1)	(4)	(75)
Fair value gain on financial assets, at fair value through profit or loss ("FVTPL")	(1,414)	(1,379)	3
Currency exchange losses – net	114	243	285
Gain on disposal of a subsidiary corporation	(1,964)	-	NM
Provision for doubtful debts	566	-	NM

NM – Not Meaningful

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

BALANCE SHEETS

ASSETS

Current assets

Cash and cash equivalents	610	1,980	477	153
Financial assets, at FVTPL	59,895	59,530	-	-
Trade receivables	5,779	6,288	-	-
Other receivables, deposits and prepayments	10,326	12,279	74,586	75,880
	76,610	80,077	75,063	76,033

Non-current assets

Goodwill	12,223	12,223	-	-
Management contracts and naming rights	13,351	13,863	-	-
Investments in subsidiary corporations	-	-	*	*
Right-of-use asset	1,510	-	-	-
Property, plant and equipment	161	277	141	148
	27,245	26,363	141	148

Total assets

103,855 106,440 **75,204** 76,181

LIABILITIES

Current liabilities

Trade and other payables	2,127	5,200	457	831
Lease liability	1,066	-	-	-
Current income tax liabilities	54	97	-	-
	3,247	5,297	457	831

Non-current liabilities

Lease liability	444	-	-	-
Deferred income tax liabilities	3,706	3,642	-	-
	4,150	3,642	-	-

Total liabilities

7,397 8,939 **457** 831

NET ASSETS

96,458 97,501 **74,747** 75,350

EQUITY

Capital and reserves attributable to equity holders of the Company

Share capital	29,194	29,194	29,194	29,194
Currency translation reserves	1,881	1,767	4,622	3,550
Accumulated profits	46,715	46,968	40,931	42,606
	77,790	77,929	74,747	75,350

Non-controlling interests

Total equity

18,668 19,572 - -
96,458 97,501 **74,747** 75,350

* Less than RMB1,000

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1(b)(ii) Aggregate amount of group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Not applicable. There were no borrowings and debt securities recorded as at 30 June 2019 and 31 December 2018.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	HY2019	HY2018
	RMB'000	RMB'000
		<i>Restated</i>
Cash flows from operating activities:		
Net loss for the financial period	(1,157)	(880)
Adjustments for:		
Depreciation of property, plant and equipment	15	8
Amortisation of intangible assets	512	-
Amortisation of right-of-use asset	493	-
Finance expenses	40	-
Interest income	(1)	(4)
Fair value gain on financial assets, at FVTPL	(1,414)	(1,379)
Unrealised currency translation losses	114	243
Operating cash flows before movements in working capital	(1,398)	(2,012)
Change in working capital:		
Trade and other receivables	2,462	72,545
Trade and other payables	(3,073)	(115)
Financial assets, at FVTPL	1,048	(72,000)
Cash (used in) operations	(961)	(1,582)
Interest received	1	4
Income tax refunded/(paid)	19	(918)
Net cash (used in) by operating activities	(941)	(2,496)
Cash flows from investing activities:		
Additions to property, plant and equipment	-	(158)
Disposal of property, plant and equipment	104	-
Net cash provided by/(used in) investing activities	104	(158)
Cash flows from financing activities:		
Repayment of lease liability	(533)	-
Net cash (used in) financing activities	(533)	-
Net decrease in cash and cash equivalents	(1,370)	(2,654)
Cash and cash equivalents		
Beginning of financial period	1,980	7,822
End of financial period	610	5,168

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group	Share Capital	Currency Translation Reserves	Accumulated Profits	Non-Controlling Interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2019	29,194	1,767	46,968	19,572	97,501
Total comprehensive income/(loss) for the financial period	-	114	(253)	(904)	(1,043)
At 30 June 2019	29,194	1,881	46,715	18,668	96,458
At 1 January 2018	29,194	1,471	49,267	-	79,932
Total comprehensive income/(Loss) for the financial period	-	242	(1,122)	-	(880)
At 30 June 2018	29,194	1,713	48,145	-	79,052

The Company	Share Capital	Currency Translation Reserves	Accumulated Profits	Total
	RMB'000	RMB'000	RMB'000	
At 1 January 2019	29,194	3,550	42,606	75,350
Total comprehensive income/(loss) for the financial period	-	1,072	(1,675)	(603)
At 30 June 2019	29,194	4,622	40,931	74,747
At 1 January 2018	29,194	1,471	47,154	77,819
Total comprehensive income/(loss) for the financial period	-	168	(1,223)	(1,055)
At 30 June 2018	29,194	1,639	45,931	76,764

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purposes since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Ordinary shares of the Company	Number of shares	Share capital RMB
	78,000,000	29,194,031
As at 30 June 2019 and 31 December 2018		

The Company did not have any outstanding options, convertibles, treasury shares and subsidiary holdings as at 30 June 2019 and 30 June 2018.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company's total number of issued and paid up share capital as at 30 June 2019 was 78,000,000 ordinary shares (31 December 2018: 78,000,000 ordinary shares).

There were no treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of treasury shares during HY2019.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of subsidiary holdings during HY2019.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors of the Company.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

In the second half of 2018, the Group has decided to change its presentation currency from SGD to RMB with effect from 1 January 2018. With 100% of the Group's revenue being derived from China and denominated in RMB, the management is of the view that it is more appropriate for the Group to adopt the RMB as the presentation currency. The change has also aligned the presentation currency with the Group's functional currency, which is RMB. In accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), all comparative figures for HY2018 are also presented in RMB.

Save as disclosed in the above and in Paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the Group's financial statements for HY2019 compared to the audited financial statements for FY2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all new and revised SFRS(I) and Interpretations of SFRS(I) that are relevant to its operations and effective for the financial period on or after 1 January 2019, where applicable. The adoption of these new and revised standards from the effective date did not result in significant change to the Group's accounting policies and did not have a material impact on the Group's results for HY2019, except for the adoption of SFRS(I) 16.

The Group applied SFRS(I) 16 which effective on 1 January 2019 resulted in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right-to-use assets) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. For HY2019, the Group recorded right-of-use asset and corresponding lease liability of approximately RMB 1.5 million.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per share ("EPS")	The Group	
	HY2019	HY2018
Loss for the financial period attributable to equity holders of the Company (RMB'000)	(253)	(880)
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	78,000	78,000
Basic and diluted EPS shares (cents) ⁽¹⁾	(0.32)	(1.13)

⁽¹⁾ The basic and diluted EPS were the same as the Company and the Group did not have any potentially dilutive instruments for the respective financial periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
Net asset value ("NAV") per ordinary share	30 Jun 19	31 Dec 18	30 Jun 19	31 Dec 18
NAV attributable to equity holders of the Company (RMB'000)	77,790	77,929	74,747	75,350
Number of ordinary shares ('000)	78,000	78,000	78,000	78,000
NAV per ordinary share based on issued share capital (RMB)	1.00	1.00	0.96	0.97

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF FINANCIAL PERFORMANCE

As of 30 June 2019, the Group hospitality division has five hotels under long-term management contracts. Three of these hotels have commenced operation and the details are as follows:

Names of hotels/resorts	Number of rooms	Location
Libre Resorts Huangshan	528	Huangshan, Anhui Province, China
Libre Resorts Lijiang	562	Lijiang, Yunnan Province, China
Libre Collection Yizheng	36	Yangzhou, Jiangsu Province, China

In addition, the Group has changed the presentation currency from SGD to RMB in FY2018 as most of its revenue and assets are denominated in RMB. As a result of the change, prior year comparative figures have been restated to RMB as well.

Revenue

Revenue Type	HY2019	Contribution	HY2018	Contribution	Change
	RMB'000	%	RMB'000	%	%
Consultancy services	-	NM	1,632	100	NM
Hotel management fees	2,376	100	-	-	NM
TOTAL	2,376	100	1,632	100	46

The Group achieved revenue of RMB 2.4 million in HY2019 compared to RMB 1.6 million in HY2018. The increase is mainly due to long term contracts secured from hospitality facilities management as compared to consultancy services secured on project basis in HY2018.

Other income

The Group's other income was mostly from the interest income from bank deposits. The decrease is due to lower bank balances.

Other gains - net

The Group's other gains was mainly contributed by the fair value gain on financial assets, at FVTPL and gain on disposal of a subsidiary.

Amortisation of intangible assets and right-of-use assets

The Group's amortisation of intangible assets of RMB 0.5 million was due to amortisation of goodwill and intangible assets which arose from the acquisition of Libre Hospitality Group over 10 to 15 years in accordance to the contract periods of the management contracts and naming rights.

The Group's amortisation of right-of-use asset of RMB 0.5 million was due to adoption of SFRS(I) 16 effective from 1 January 2019 for office rental contract.

Employee compensation

The employee compensation increased by RMB 2.0 million or 71%, from RMB 2.4 million in HY2018 to RMB 4.1 million in HY2019, due to higher compensation structure from Libre Hospitality Group which was acquired and consolidated into the Group with effect from 1 July 2018. Libre Hospitality Group is managed by an experienced management team and many of them have previous work experiences in well-established international hotel chains, as such, the team is competitively compensated. The headcount in the Group stood at 17 at the end of 30 June 2019 (as at 30 June 2018: 16).

Other expenses

The increase in other expenses of RMB 0.2 million or 13% mainly due to RMB 0.6 million provision for doubtful debts for the period due to slow collection of certain trade debts as a result of slowing Chinese economy, partially offset by reduction of RMB 0.4 million other operating expenses.

Income tax expense

While the Group recorded a loss before tax of RMB 1.1 million, the Group incurred an income tax expense of RMB 0.1 million. The income tax expense is largely attributable to provision for deferred tax liabilities on unremitted earnings from foreign subsidiaries in accordance with SFRS (I) 1-12. Furthermore, losses from other companies within the Group were not allowed to offset against the profits from other profitable companies within the Group for income tax purposes.

Loss for the financial period

The Group recorded a loss after tax of RMB 1.2 million in HY2019 as compared to loss after tax of RMB 0.9 million in HY2018 due mainly to provision for doubtful debts, amortisation of intangible assets and higher employee compensation, partially offset by higher revenue and other gains.

Non-controlling interests

The non-controlling interests' share of the Libre Hospitality Group's losses amounted to RMB 0.9 million for HY2019.

REVIEW OF FINANCIAL POSITION**Current assets**

As of 30 June 2019, the Group had RMB 59.9 million worth of financial assets, at FVTPL, which comprises of mostly short-term fixed income instruments denominated in RMB.

As of 30 June 2019, the Group has trade receivables of RMB 5.8 million which comprises of hotel management fees and consultancy services revenue due from customers.

As of 30 June 2019, the Group has other receivables, deposits and prepayments of RMB 10.3 million comprised of mostly deposits for bidding new hotel management contracts. There was a decrease of RMB 2.0 million due to reduction in payment on behalf.

Non-current assets

The Group's non-current assets amounted to RMB 27.2 million as at 30 June 2019 comprises mainly goodwill and intangibles assets which arose from the acquisition of Libre Hospitality Group as well as the right-of-use asset of RMB 1.5 million recognised in HY2019 as a result of adoption of SFRS(I) 16.

The amount under goodwill represents the excess of purchase consideration over the attributable identifiable net assets acquired.

The intangible assets comprise of long-term management contracts and naming rights identified during the acquisition. The Group will amortise the intangible assets over 10 to 15 years in accordance to the contract periods of the management contracts and naming rights.

Current liabilities

The Group's trade and other payables decreased from RMB 5.2 million as at 31 December 2018 to RMB 2.1 million as at 30 June 2019 mainly due to payments made and lower accrued operating expenses, partially offset by lease liability of RMB 1.1 million recognised in HY2019 as a result of adoption of SFRS(I) 16.

Non-current liabilities

The Group's non-current liabilities mainly comprises deferred income tax liabilities of RMB 3.7 million as at 30 June 2019 were pertaining to the deferred tax liabilities allocated to the intangible assets based on the statutory tax applied on the fair value of the intangible assets and provision for deferred tax liabilities on unremitted earnings from foreign subsidiaries in accordance with SFRS (I) 1-12. It also comprises lease liability of RMB 0.4 million recognised in HY2019 as a result of adoption of SFRS(I) 16.

Working capital

The Group had a positive working capital of RMB 73.4 million as at 30 June 2019 as compared to RMB 74.8 million as at 31 December 2018.

Shareholders' equity

The Group's equity attributable to equity holders of the Company decreased by RMB 0.1 million to RMB 77.8 million as at 30 June 2019, from RMB 77.9 million as at 31 December 2018. The decrease is due to losses of RMB 0.2 million in HY2019, partially offset by an increase in the currency translation reserves of RMB 0.1 million.

REVIEW OF CASH POSITION

Net cash used in operating activities of the Group amounted to RMB 0.9 million for HY2019 mainly due to operating cash flows before movements in working capital of RMB 1.4 million, the decrease in trade and other payable of RMB 3.1 million and the decrease in financial assets, at FVTPL of RMB 1.1 million, partially offset by the decrease in trade and other receivables of RMB 2.5 million.

Net cash provided by investing activities of RMB 0.1 million were mainly due to proceeds from the disposal of property, plant and equipment in HY2019.

Net cash used in financing activities of RMB 0.5 million was due to the adoption of SFRS(I) 16 leases for office rental.

Overall, the Group recorded a net cash decrease of RMB 1.4 million in HY2019.

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

The Group's results for HY2019 are generally in line with the Company's profit guidance announcement dated 6 August 2019.

10. 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.

With the ongoing US-China trade war, China forecasts a lower GDP growth of 6 to 6.5% for 2019 as compared to GDP growth of 6.6% achieved for 2018. Despite the slowest rate of GDP growth forecast, there are still several bright spots in the China economy. For example, in 2018, the China's domestic tourism industry growth was 10.8% and accounted for 11.04% of GDP according to data from the China Ministry of Culture and Tourism.

The Group believes that the positive momentum in domestic tourism industries would continue to support the growth of the Group's hospitality business. The Group aims to achieve higher occupancy rates in the hotels under management with creative promotional activities targeted at new market segments.

Despite the losses in HY2019, the Group remains comfortable with its financial position with net assets attributable to equity holders of the Company of RMB 77.8 million as of 30 June 2019. With the economic uncertainties and the volatile market conditions, the management have implemented various cost cutting measures to improve the profitability of the Group.

Looking ahead, the Group will continue 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.

11. If a decision regarding dividend has been made: -

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

None.

(b) (i) Amount per share in cents

Not applicable.

(ii) Previous corresponding period in cents

Not applicable.

- (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.

- (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.

- 12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended in view of the loss for HY2019.

- 13. 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 Catalist 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.

- 14. 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.

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

The Board of Directors of the Company (the “**Board**”) confirm that, to the best of the Board’s knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the half year ended 30 June 2019 to be false or misleading in any material aspect.

On behalf of the Board

Peng Fei
Executive Director and CEO

14 August 2019