

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

ENTRY INTO A CONVERTIBLE LOAN SUBSCRIPTION AGREEMENT

1. INTRODUCTION

- 1.1 The board of directors (“**Board**”) of HealthBank Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) wishes to announce that the Company had on 22 March 2021 entered into a Convertible Loan Subscription Agreement (the “**Agreement**”) with the persons whose particulars are provided under paragraph 3 of this announcement (individually, a “**Subscriber**” and collectively, the “**Subscribers**”), pursuant to which the Company proposes to issue to the Subscribers unsecured convertible loan notes in one tranche amounting in aggregate to the principal amount of S\$3,300,000 (or equivalent to approximately RMB16,071,000¹) (the “**Notes**”) (the “**Convertible Loan**”).
- 1.2 The Notes shall be interest-free and be convertible into ordinary shares (“**Conversion Shares**”) in the capital of the Company which are listed on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), subject to the terms and conditions of the Agreement.

2. RATIONALE OF THE CONVERTIBLE LOAN AND USE OF PROCEEDS

2.1 Rationale

Based on the latest announced unaudited consolidated financial statements of the Group for the financial year ended 31 December 2020 (“**FY2020**”), the net current assets of the Group stood at RMB 9.39 million as at 31 December 2020. The Convertible Loan will allow the Group to raise funds for future working capital purposes and further strengthen Company’s financial position, which will allow the Group to focus on growth through strategic restructuring and collaborations in new business segments with resilient and high growth potential in China, Singapore and the region. The funds raise allow the Group to capitalise on business opportunities arising from the new development and demands emerging from the COVID-19 pandemic.

The Board is of the view that this will support the future growth of the Group and accords with the management’s strategy to achieve long-term growth, with the goal of expanding and enhancing the performance and net asset value of the Group.

2.2 Use of proceeds

The estimated net proceeds from the Convertible Loan, after deducting estimated fees and expenses of approximately S\$20,165 is approximately S\$3,279,835 (the “**Net Proceeds**”). The planned utilisation of the Net Proceeds is as set out in the proportion as below:

¹ S\$1 = RMB 4.87

Use of Proceeds	Allocation (S\$'000)	Percentage Allocation
Business expansion and investment opportunities	2,479,835	76%
Working capital*	800,000	24%
Net Proceeds	3,279,835	100.0%

*Working capital includes day-to-day operating expenses for the Group such as professional fees, listing fees, staff cost, and office expenses.

Pending deployment of the Net Proceeds, the Company may place the Net Proceeds from the Convertible Loan with banks and/or financial institutions or use the Net Proceeds for any other purposes on a short-term basis, as the Board may deem fit in the interests of the Group.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when they are materially disbursed and provide a status report on the use of the Net Proceeds in the Company's interim and full-year financial statements issued under Rule 705 of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**") and the Company's annual report and whether such use is in accordance with the stated use and in accordance with the stated percentage allocated. Where the proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how such proceeds have been applied. Where there is any material deviation from the stated use of proceeds, the Company will make the necessary announcement for the reasons for such deviation.

3. INFORMATION ON THE SUBSCRIBERS

3.1 Information on the Subscribers

All information in respect of the Subscribers is based solely on information and representations made and provided by the Subscribers to the Company. In respect of such information, the Company and the Directors have not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

Details of the Subscribers are set out below:

Name of Subscriber	Background of the Subscriber
EnerIHC Holding Limited (" EnerIHC ")	EnerIHC is an investment holding company incorporated in Hong Kong. Ms Mak Yuen Yee Selina is the sole shareholder and sole director of EnerIHC. Ms Mak Yuen Yee Selina is a private investor who has experience in financial investment in private and public companies.
Royal Investment Global Limited (" Royal Investment Global ")	Royal Investment Global is an investment holding company incorporated in Hong Kong. Mr David Chic is the sole shareholder and sole director of Royal Investment Global. Mr David Chic is a private investor who has experience in financial investment in private and public companies.
Shenyang Pufei Technology Co., Ltd (沈阳普飞科技有限公司) (" Shenyang Pufei ")	Shenyang Pufei is a company incorporated in People's Republic of China that deals with technology related products and services. Mr Liang Jian is the sole shareholder and director of Shenyang Pufei.

The Subscribers were introduced to the Group through business associates. No commission or introducer fee is paid or payable by the Company in connection with the Convertible Loan.

Each Subscriber has entered into the Agreement as principal and purely for investment purposes only, and has no intention of influencing the management of, or exercising control over, the Company, and is not acting in concert with any parties to obtain or consolidate control of the Company. To the best of knowledge of the Directors, the Group, the Directors and the substantial shareholders of the Company do not have any connection (including business relationship) with the Subscribers and the directors and substantial shareholders of the Subscribers.

No person is proposed to be appointed to the Board in connection with the Convertible Loan.

None of the Subscribers fall within any of the categories as set out in Rule 812(1) of the Catalyst Rules.

3.2 Details of Subscribers and their respective Subscriptions of the Notes

Name of Subscriber	Convertible Loan amount	Maximum number of Conversion Shares ⁽¹⁾	Shareholding as a percentage of the issued share capital of the Company as at the date of the Agreement ⁽²⁾	Maximum shareholding as a percentage of enlarged issued share capital of the Company ⁽³⁾
EnerIHC	S\$1,100,000	12,500,000	-	10.82%
Royal Investment Global	S\$1,100,000	12,500,000	-	10.82%
Shenyang Pufei	S\$1,100,000	12,500,000	-	10.82%
Total	S\$3,300,000	37,500,000	-	32.47%

Notes:

1. The maximum number of Conversion Shares to be issued pursuant to the Convertible Loan is calculated assuming full conversion of the Convertible Loan of S\$3,300,000 at Conversion Price (as defined below) of S\$0.088 per Conversion Share.
2. Based on the existing share capital of the Company as at the date of this announcement of 78,000,000 shares.
3. Based on the maximum number of 37,500,000 Conversion Shares, the enlarged share capital will consist of 115,500,000 shares.

Based on the table above, the allotment and issuance of the Conversion Shares will not result in a transfer of controlling interest in the Company. The Conversion Shares will not be issued to the Subscribers if such issuance would result in a transfer of controlling interest in the Company which is prohibited under Rule 803 of the Catalyst Rules unless prior approval of shareholders is obtained.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS BY THE SUBSCRIBERS

Under the Agreement, each Subscriber had severally and not jointly represented, agreed, undertaken, warranted to and covenanted with the Company that, *inter alia*:

- (a) it has full power and capacity to enter and perform the Agreement and the Agreement will, when executed, constitute it valid and legally binding obligations enforceable in accordance with its terms;
- (b) it is subscribing for the Notes as a principal, for its own benefit and for investment purposes only and has no intention of influencing the management of, or exercising control over, the Company and is not acting, and shall not, for as long as the Agreement is in effect, act in concert with any persons to obtain or consolidate control of the Company;
- (c) it will not transfer the Notes to any other person, save with the Company's consent;
- (d) it is not, and shall procure that none of the transferee is any of the following persons:
 - (i) the Company's Directors or substantial shareholders;
 - (ii) immediate family members of the Directors or substantial shareholders of the Company;
 - (iii) substantial shareholders, related companies (as defined under Section 6 of the Companies Act, (Chapter 50) of Singapore), associated companies and related companies of the Company's substantial shareholders;
 - (iv) corporations in whose shares any of the Company's directors or substantial shareholders has/have an aggregate interest of at least 10%;
 - (v) a person or entity falling within Rule 812(1) of the Catalist Rules;
 - (vi) associates (as from time to time defined in the Catalist Rules) of any of the foregoing; or
 - (vii) a person acting in concert with, or associated or related to, any of the other Subscribers;
- (e) it has no relationship (including any business relationship) with the Group, the Company's Directors or substantial shareholders; and
- (f) it has sufficient financial resources to satisfy the Convertible Loan amount as set out in paragraph 3.2 of this announcement.

5. PRINCIPAL TERMS OF THE NOTES

The Notes are issued subject to the detailed provisions of the Agreement.

A summary of the key terms of the Notes is set out below:

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| Form and denomination | : | The Notes shall be issued in registered form in denominations of S\$100,000 and integral multiples thereof and are serially numbered. |
| Maturity Date | : | The date falling the day of the 36 th month from the relevant subscription date of the Notes. |
| Transfer and assignability | : | The Noteholder may at any time and from time to time, with the Company's prior written consent, assign or transfer the Notes to any third parties by the Noteholders in tranches of S\$100,000 or integral multiples thereof. |
| Status of Conversion Shares | : | The Notes constitute direct, unconditional, unsubordinated and (subject to the terms and conditions of the Notes) unsecured obligations of the Company, ranking <i>pari passu</i> and rateably without any preference among themselves, and, subject as mentioned above and save as otherwise provided under any applicable laws or regulations, equally with all other unsecured obligations (other than subordinated obligations, if any) of the Company from time to time outstanding. |
| Interest | : | The Notes shall be interest-free. |
| Conversion Right | : | <p>Notwithstanding any other provisions in the Agreement, the exercise of the Conversion Right by a Noteholder shall be conditional upon, <i>inter alia</i>:</p> <ul style="list-style-type: none"> (i) The receipt of the listing and quotation notice of the SGX-ST for the listing of the Conversion Shares on the SGX-ST and the fulfilment or waiver of any conditions imposed by the SGX-ST under such notice, and such notice not having been terminated, revoked or withdrawn and if such notice was granted subject to conditions, that such conditions were fulfilled; (ii) Any direction or requirements of the SGX-ST or the continuing sponsors of the Company, issued by the SGX-ST or the continuing sponsors at any time, to the issuance, allotment or listing of the Conversion Shares to the Subscriber (or it nominee(s)) having been fulfilled; (iii) A written confirmation from such Noteholder dated as at the Conversion Date, that (i) the exercise of its Conversion Right shall not result in a transfer of controlling interest of the Company; (ii) it is not acting in concert with or associated or related to, any of the |

other Subscribers or any person to obtain or consolidate control of the Company; and (iii) it is not a person falling within Rule 812 of the Catalist Rules;

- (iv) That the issuance of the Conversion Shares shall not be prohibited by any laws, orders, rules, regulations and/or official directions then in effect, provided always that a waiver granted in connection with any such law, orders, rules, regulations and/or official directions shall be treated as due compliance with such relevant law as amended, modified or supplemented from time to time;
- (v) No notice has been issued by the Company to the Noteholder for the redemption or prepayment of such Notes, provided that if such notice as aforesaid had been issued by the Company to any Noteholder, payment shall be made to such Noteholder within 14 days thereof of such date of notice.

Conversion Period	:	Any Note may be converted at any time up to the close of business on Maturity Date, following which the Conversion Right shall lapse. The Conversion Right shall not be detachable nor assignable separate from the corresponding Note.
Conversion Price	:	The price at which each Conversion Share shall be issued upon conversion (the " Conversion Price ") shall be S\$0.088, where the Conversion Right is exercised on or before the day immediately preceding the Maturity Date, subject to adjustments in the manner set out in the terms and conditions of the Notes. The Conversion Price was agreed to by the Subscribers and the Company under the Agreement at arm's length basis with reference to the current market price of the Company's shares. This equals to the volume-weighted average price of S\$0.088 for trades done on the SGX-ST on 25 February 2021, being the last full market day on which the Company's shares were traded preceding the execution of the Agreement.
Adjustment to Conversion Price	:	The Conversion Price shall be subject to adjustments under certain circumstances provided for in the Agreement, including, <i>inter alia</i> , consolidation, subdivision or reclassification of shares, capitalisation issues, rights, warrants or other convertibles issues and certain capital distributions in compliance with Rule 829(1) of the Catalist Rules. Any such adjustments shall be announced by the Company via an announcement on SGXNet Rule 830 of the Catalist Rules.
Redemption	:	The Notes which are not purchased, converted or cancelled by the Company will be redeemed by the Company at 100% of their principal amount at the Maturity Date.

All Notes which are redeemed or converted will forthwith be cancelled by the Company and may not be reissued or resold.

- Prepayment** : The Company shall be entitled to, at any time and from time to time, prepay any or all of the Notes at the principal amount of such Note. Any prepayment shall be in the sum of at least S\$100,000 or integral multiples thereof. There shall be no premium, penalty, interest and/or any other sum payable by the Company in relation to, arising from or in connection with such prepayment.
- Events of Default** : The Company shall within 10 business days of becoming aware of the occurrence of an event of default give notice to the Noteholders and the Noteholders may, by notice in writing given to the Company at its principal place of business in Singapore, from the Noteholders holding more than 75% in nominal value of the Notes then issued and outstanding, at any time while such default remains unremedied, direct that the principal amount of all outstanding notes shall become immediately due and payable. The events of default include, *inter alia*, non-payment by the Company, breach of undertakings by the Company, winding-up of the Company, where an encumbrance over a whole or a material part of the assets or undertaking of the Group, and cessation of business by the Company or any of its material subsidiaries.
- Modification and Waiver** : Any modification by the Company of the Notes (including the terms and conditions of the Notes) or any waiver or authorisation of any breach or proposed breach by the Company of the Notes shall be subject to the written approval of Noteholders of 51% or more of the aggregate principal amount of Notes then outstanding, which shall not be unreasonably withheld.
- In addition, in compliance with Rule 829(3) of the Catalyst Rules, any material amendment to the terms and conditions of the Notes after issue to the advantage of the Noteholders shall be approved by shareholders of the Company, except where the amendment is made pursuant to the terms and conditions of the Notes.
- Governing Law** : Laws of Singapore.

6. COMPLETION AND CONDITIONS PRECEDENT

6.1 Completion

Subject to the provisions in the Agreement, completion on each Subscription Date, where "**Subscription Date**" means for each Subscriber the date as notified in writing by the Company to the Subscriber being a date not earlier than 4 days, but not later than 14 days, that all the conditions precedent set out in paragraph 6.2 of this announcement are fulfilled.

On or before the Subscription Date, and in any case not later than 30 days from the date of the Agreement, each Subscriber shall pay the relevant Convertible Loan amounts as set out against its name as provided under paragraph 3.2 of this announcement, by delivery of a cheque issued by a licensed bank in Singapore and drawn in favour of the Company, or such other mode of payment as agreed between the Company and such Subscriber.

6.2 Conditions Precedent

Notwithstanding any other provisions in the Agreement, the right of each Subscriber to subscribe for the Notes, and the obligations of the Company to issue the Notes under the Agreement, unless waived in writing by the Company, shall be conditional upon, *inter alia*:

- (a) Trading in Shares on the SGX-ST not being suspended at the time of completion;
- (b) If required or requested by the Catalist Rules, continuing sponsors of the Company or the SGX-ST, the approval of the shareholders of the Company to the transactions contemplated under the Agreement;
- (c) The provision of a certified extract of the Company's written resolutions of its board of directors approving and authorising the entry into of the Agreement, the issuance of the Notes and the performance of all obligations of the Company in relation thereto which include the issuance of the Notes, the issuance of the Conversion Shares (upon conversion of the Notes);
- (d) All representations, undertakings and warranties of the Subscriber hereunder being and continuing to be complied with, true, accurate and correct up to Subscription Date as if made on each day up to the Subscription Date and each Subscriber not having breached in any manner the terms of the Agreement, whether such term or such breach is of a material nature, unless waived by the Company;
- (e) All relevant government or regulatory approvals and waivers and other third party approvals and consents including without limitation that of the SGX-ST, where applicable and/or required, and any conditions imposed by the authorities in giving such approval having been fulfilled (or waived), and not such approvals, waivers and other third party approvals not being terminated, revoked or withdrawn, for the issue of the Notes and the execution, delivery and performance of the Agreement; and
- (f) The results of due diligence (including but not limited to checks carried out on each of the Subscribers in respect of anti-money laundering activities, backgrounds of the Subscribers, their source of funds and source of wealth) being satisfactory as determined in the sole discretion of the Company.

6.3 Conditions Precedent not Satisfied or Breach

If any of the conditions set out in paragraph 6.2 of this announcement for any Subscriber is not satisfied or waived by the Company within 90 business days (or such further period as the Company shall be entitled to extend by notification to the Subscribers) of the date of the Agreement, or where any Subscriber has breached any term of the Agreement, the Company shall have the right to terminate the Agreement as against such Subscriber and the Company shall be released and discharged from its obligations under the Agreement. Such termination shall not affect the validity or enforceability of the Agreement between the Company and the other Subscribers.

In the event that the conditions set out in paragraph 6.2 of this announcement is not satisfied for any Subscriber, or where any Subscriber has breached any term of the Agreement as set out above, the Company shall be entitled, at any time within 60 business days of the earliest date known to the Company of the non-satisfaction of such conditions or any breach thereof of the Agreement, declare that the Agreement be terminated as against any or all Subscribers, without any party having any rights or liabilities under the Agreement, including any rights and liabilities prior to such termination.

7. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

Bases and Assumptions

For the purposes of illustration only, the unaudited *pro forma* financial effects of the Convertible Loan and the Convertible Shares taken as a whole are set out below. The unaudited *pro forma* financial effects do not necessarily reflect the actual future financial position and performance of the Group in the event that Convertible Loan is fully disbursed and fully converted.

The unaudited *pro forma* financial effects for the Convertible Loan have been prepared based on the unaudited consolidated financial statements of the Group for FY2020, being the most recently completed financial year for which financial statements are publicly available as at the date of this announcement, as well as the following bases and assumptions:

- (a) the Conversion Price is S\$0.088 and the maximum number of Conversion Shares to be issued is 37,500,000;
- (b) any interest, revenue, and/or return that may arise from the Convertible Loan are disregarded;
- (c) the expenses incurred for the Convertible Loan are assumed to be insignificant and have been ignored for the purposes of computing the financial effects;
- (d) the financial effects on the share capital and the consolidated Net Tangible Assets (“NTA”) (excluding non-controlling interests) are computed based on the assumption that the Convertible Loan had been completed on 31 December 2020; and
- (e) the financial effects on the consolidated Loss Per Share (“LPS”) are computed based on the assumption that the Convertible Loan had been completed on 1 January 2020;

For avoidance of doubt, these financial effects do not take into account of any other corporate actions announced and undertaken by the Group on or after 1 January 2021.

Share Capital

	Before conversion of the Convertible Loan and issue of the Convertible Shares	After conversion of the Convertible Loan and issue of the Convertible Shares
Issued and paid-up share capital (RMB'000)	29,194	45,254
Total number of issued shares	78,000,000	115,500,000

NTA

	Before conversion of the Convertible Loan and issue of the Convertible Shares	After conversion of the Convertible Loan and issue of the Convertible Shares
NTA of the Group attributable to equity holders of the Company (RMB'000)	64,862	80,922
Total number of issued shares	78,000,000	115,500,000
NTA per share (RMB cents)	83.16	70.06

LPS

	Before conversion of the Convertible Loan and issue of the Convertible Shares	After conversion of the Convertible Loan and issue of the Convertible Shares
Loss after tax attributable to equity holders of the Company	(4,907)	(4,907)
Weighted average number of shares	78,000,000	115,500,000
LPS (RMB cents)	(6.29)	(4.25)

8. GENERAL MANDATE

The Notes will be issued pursuant to the general mandate given by the shareholders of the Company at the annual general meeting of the Company held on 12 June 2020 (“**General Mandate**”).

The General Mandate authorises the Company to issue new shares and convertible securities not exceeding 100% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) as at the date of the grant of the General Mandate, provided that the aggregate number of shares and convertible securities to be issued other than on a *pro rata* basis to shareholders of the Company must not exceed 50% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings).

The total number of issued shares as at the date of the General Mandate was 78,000,000. From the date of the grant of the General Mandate up to the date of this announcement, no

shares or convertible securities has been issued pursuant to the General Mandate. The Company has no existing warrants or other outstanding convertibles as at the date of this announcement. Accordingly, based on the issue size and the Conversion Price, the issue of the Notes which are convertible into 37,500,000 Conversion Shares (subject to adjustments set out in paragraph 5 of this announcement) represents approximately 48.08% of the issued shares of the Company as at the date of this announcement, and falls within the limits of the General Mandate.

9. NO PROSPECTUS OR OFFER INFORMATION STATEMENT TO BE ISSUED

The Convertible Loan will be made pursuant to the exemptions under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the Convertible Loan.

10. ADDITIONAL LISTING APPLICATION

Subject to completion of the Convertible Loan, the Company will, in due course, be submitting an application to the SGX-ST through its continuing sponsor, SAC Capital Private Limited, for the admission to and listing of and quotation for the Conversion Shares on the Catalist of the SGX-ST. No listing will be sought for the Convertible Loan.

The Company will make further announcements upon the receipt of the in-principal approvals from the SGX-ST for the listing of and quotation for the Conversion Shares.

11. CONFIRMATION BY DIRECTORS

The Directors are of the opinion that after taking into consideration the present financial position of the Group, including:

- (i) the operating cash flows and net current assets of the Group, the Group has adequate working capital for its present requirements; and
- (ii) the operating cash flows and net current assets of the Group as well as the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the above, the Directors are of the view that the Convertible Loan is beneficial for the Group for such reasons as set out in paragraph 2 of this announcement.

12. INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Convertible Loan, other than through their directorships and/or shareholdings in the Company.

13. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Agreement is available for inspection by prior appointment through contacting the Company at ken.lew@healthbankholdings.com, at the registered office of the Company at 3 Temasek Avenue #34-17 Centennial Tower Singapore 039190, during normal business hours from 9.00 a.m. to 5.00 p.m. for a period of 3 months commencing from the date of this announcement.

14. DIRECTORS' 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 Convertible Loan, 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 this 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 this announcement in its proper form and context.

15. FURTHER ANNOUNCEMENTS

The Company will continue to keep Shareholders updated and release announcements relating to the Convertible Loan (including any material developments and progress made) as may be appropriate from time to time.

16. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. The Convertible Loan is subject to the fulfilment of certain conditions. There is no certainty or assurance as at the date of this announcement that the Convertible Loan will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors of the Company should exercise caution when trading in shares of the Company, and where in doubt as to the action they should take, they should consult their legal, financial, tax or other professional adviser immediately.

BY ORDER OF THE BOARD

Peng Fei
Executive Director and Chief Executive Officer
23 March 2021

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.