

HEALTHBANK HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Registration No. 201334844E)

PROPOSED PLACEMENT OF 3,800,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.105 PER SHARE

1. Introduction

- 1.1 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 the Company has on 11 June 2022 entered into a subscription agreement (the “**Subscription Agreement**”) with a private investor, Mr Bao Fu (the “**Subscriber**”), pursuant to which the Subscriber has agreed to subscribe for 3,800,000 new ordinary shares in the issued and paid-up share capital of the Company (the “**New Shares**”) at an issue price of S\$0.105 per share (the “**Issue Price**”) amounting to an aggregate cash consideration of S\$399,000 (the “**Consideration**”), on the terms and subject to the conditions of the Subscription Agreement (the “**Placement**”).

1.2 Additional Listing Application

The Company will apply to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) through its sponsor, SAC Capital Private Limited, for the dealing in, listing of and quotation for the New Shares on the Catalist board of the SGX-ST (the “**Catalist**”). The Company will make the necessary announcement upon receipt of the listing and quotation notice (“**LQN**”) from the SGX-ST.

2. Salient Terms of the Subscription Agreement

- 2.1 The New Shares, if and when fully allotted, issued and fully paid, will rank *pari passu* in all respects with the existing ordinary shares in the capital of the Company save that they shall not rank for any dividends, distributions or entitlements the record date of which falls on or before the date of issue of the New Shares.
- 2.2 The New Shares represent approximately 4.87% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company as at the date of this announcement of 78,000,000 shares (the “**Existing Share Capital**”). Upon completion of the Placement, assuming there are no changes to the Existing Share Capital before the completion of the Placement, the issued and paid-up share capital of the Company will increase to 81,800,000 ordinary shares (excluding treasury shares and subsidiary holdings) (the “**Enlarged Share Capital**”) and the New Shares will represent approximately 4.65% of the Enlarged Share Capital.
- 2.3 The Issue Price of S\$0.105 per New Share is a 6.6% discount to the volume weighted average price of S\$0.1124 per share for trades done on the SGX-ST on 10 June 2022, being the last full market day on which the shares of the Company were traded preceding the date of the Subscription Agreement.

The Issue Price was commercially agreed between the Company and the Subscriber after arm’s length negotiations and considering the historical trading performance of the Company and the prevailing market conditions.

2.4 Conditions Precedent

The Placement is conditional upon, *inter alia*:

- (a) the LQN for the New Shares on the Catalist (on conditions, if any, acceptable to the Company and the Subscriber) having been obtained from the SGX-ST and remaining in

full force and effect and where such approval is given subject to conditions which must be fulfilled on or before the Completion Date (as defined in Paragraph 2.5 below), such conditions being reasonably acceptable to the Subscriber or fulfilled by the Company, as the case may be;

- (b) the Company obtaining such approval(s) from the Board in connection with the Subscription Agreement and the transactions contemplated therein as may be necessary;
- (c) the allotment, issue and subscription of the New Shares by the Subscriber not being prohibited by any statute, order, rule or regulation promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore; and
- (d) the representations and warranties of each party in the Subscription Agreement being true, accurate and correct in all material respects as if made on the Completion Date, with reference to the then existing circumstances and each party having performed in all material respects all of its or his obligations therein to be performed on or before the Completion Date.

If any of the conditions precedent as set out in the Subscription Agreement is not satisfied on or before the date falling 120 calendar days after the execution of the Subscription Agreement (or such later date as the parties to the Subscription Agreement may agree in writing), the Subscription Agreement shall forthwith terminate.

2.5 Completion

Completion of the Placement shall take place on a date no later than the seventh (7th) business day after the satisfaction of the last of the conditions set out in the Subscription Agreement or such other date as may be agreed between the parties (the “**Completion Date**”).

3. **Financial Effects of the Placement**

- 3.1 Based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2021 (“**FY2021**”), the effects of the Placement on the share capital, net asset value per share and basic loss per share of the Group are set out in the table below:

	Before the Placement	After the Placement
Issued and paid-up share capital (RMB'000)	29,194	31,127
Net asset value per share (RMB cents)	80.84 ⁽¹⁾	79.45 ⁽²⁾
Basic loss per share (RMB cents)	4.67 ⁽³⁾	4.45 ⁽⁴⁾

Notes:

- (1) Based on 78,000,000 ordinary shares (excluding treasury shares and subsidiary holdings) as at 31 December 2021.
- (2) Based on 81,800,000 ordinary shares (excluding treasury shares) after the allotment and issue of the 3,800,000 New Shares, assuming that the Placement had been completed on 31 December 2021.
- (3) Based on 78,000,000 weighted average number of ordinary shares for FY2021.
- (4) Based on 81,800,000 weighted average number of ordinary shares after the allotment and issue of the 3,800,000 New Shares, assuming that the Placement had been completed on 1 January 2021.

- 3.2 The aforesaid financial effects of the Placement are strictly for illustrative purposes only and may not necessarily reflect the actual future financial position and results of the Group following the Placement.

4. Rationale and Use of Proceeds from the Placement

- 4.1 Based on the latest audited consolidated financial statements of the Group for FY2021, the net current assets of the Group stood at RMB 7.4 million as at 31 December 2021. The Placement will allow Company to strengthen the Group's financial position and flexibility to capitalise on growth opportunities.
- 4.2 The Company intends to utilise the entire estimated net proceeds from the Placement (after deducting the estimated expenses) of approximately S\$378,000 to finance the Group's general working capital, including but not limited to due diligence expenses in connection with potential investment projects to be undertaken by the Group.
- 4.3 Pending deployment of the net proceeds from the Placement, the net proceeds may be deposited with banks and/or financial institutions and/or used for investment in short-term money market instruments as the Directors may deem appropriate in the interests of the Group.
- 4.4 The Company will make periodic announcements on the utilisation of proceeds from the Placement as and when such proceeds are materially disbursed and provide a status report on the use of such 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 (the "**Catalist Rules**") and its annual report(s). As the proceeds will be used for working capital purposes, the Company will disclose a breakdown with specific details on how the proceeds have been applied. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.
- 4.5 The Directors are of the opinion that, (i) after taking into consideration the Group's present internal resources and bank facilities available to the Group, the working capital available to the Group is sufficient to meet its present requirements; and (ii) after taking into consideration the Group's present internal resources and bank facilities available to the Group and 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 opinion that the net proceeds will further strengthen and supplement the Group's financial position and capital base.

5. Information on the Subscriber

Shareholders should note that information relating to the Subscriber in this paragraph and elsewhere in this announcement was provided by the Subscriber. The Company and the Directors have not independently verified the accuracy and correctness of such information herein.

- 5.1 The Subscriber is an investor who was introduced to the Company through mutual business associates. The Subscriber is an investor based in Beijing, China, and is involved with, *inter alia*, project management for an investment consulting firm in Beijing. He is taking up the New Shares to diversify his investment portfolio. The Subscriber will hold the New Shares solely for his own benefit and not in trust or as nominee for another person. As at the date of this announcement, the Subscriber does not hold directly or indirectly, any shares in the capital of the Company and does not have any direct or indirect relationships with the Company.
- 5.2 The Subscriber has confirmed that he has entered into the Placement 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, as defined in The Singapore Code on Takeovers and Mergers with any persons to obtain or consolidate control of the Company. The monies the Subscriber will use to subscribe for the New Shares are legitimately owned by him and will not breach or infringe any money-laundering laws or regulations.
- 5.3 No commission was paid or is payable by the Company in connection with the Placement.
- 5.4 To the best knowledge of the Directors, the Subscriber has no existing relationship (including business relationships) with the Company, the Group, its Directors or its substantial

shareholders, and is not a person to whom the Company is prohibited from issuing shares to, as provided under Rule 812(1) of the Catalist Rules.

6. General

- 6.1 The Placement is not underwritten and there is no placement agent appointed for the purpose of the Placement. The Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act 2001 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection therewith.
- 6.2 The New Shares will be allotted and issued pursuant to the general mandate granted by the shareholders of the Company ("**General Mandate**") at the annual general meeting of the Company held on 28 April 2022 ("**2022 AGM**").
- 6.3 The General Mandate authorises the Directors to allot and issue new shares not exceeding 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) as at the date of the 2022 AGM, of which the aggregate number of new shares of the Company to be issued other than on a pro-rata basis to all existing shareholders shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings).
- 6.4 As at the date of the 2022 AGM, the Company had 78,000,000 shares in issue. As at the date of this announcement, the Company has not issued any shares pursuant to the General Mandate. Accordingly, the maximum number of shares that may be issued pursuant to the General Mandate is 78,000,000 shares, of which the maximum number of shares in the capital of the Company (the "**Shares**") that may be issued other than on a pro-rata basis pursuant to the General Mandate is 39,000,000 Shares. Accordingly, the Placement and issue of the New Shares falls within the limit of the General Mandate.
- 6.5 None of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Placement, other than in their capacity as Director or shareholder of the Company.
- 6.6 A copy of the Subscription Agreement is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 15 Scotts Road, #04-08, Singapore 228218 for three (3) months from the date of this announcement.
- 6.7 The Company will make the necessary announcement once the approval for the listing and quotation of the New Shares has been obtained.
- 6.8 Shareholders are advised that the completion of the Placement is subject to the conditions precedents in the Subscription Agreement being fulfilled and there is no certainty or assurance that the Placement will be completed or that no changes will be made to the terms of the Agreement. Accordingly, shareholders are advised to exercise caution in dealings with the shares, to read this announcement and any further update announcement(s) released by the Company carefully and should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

7. 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 Placement, and 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.

BY ORDER OF THE BOARD

Peng Fei
Executive Director and Chief Executive Officer

13 June 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.