

HealthBank Holdings Limited

(Company Registration Number: 201334844E)

(Incorporated in the Republic of Singapore)

PROFIT GUIDANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 AND AN UPDATE ON THE GROUP'S OPERATIONS IN RELATION TO THE COVID-19

Profit Guidance for the financial year ended 31 December 2019

The Board of Directors (the “**Board**”) of HealthBank Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that, following a preliminary review of the unaudited financial results of the Group for the financial year ended 31 December 2019 (“**FY2019**”), the Group expects to report a loss for FY2019 mainly due to the following:

1. Lower revenue for the hospitality facilities management and consultancy services due to lower hotel activities and hospitality consultancy related projects as a result of the slowing Chinese economy, coupled with the deleveraging policy introduced by the Chinese Government which limits the credit access for businesses and the US-China trade war which further dampen business activities and consumer sentiment for consumption;
2. Increase in the provision for doubtful debts due to slow collection of trade receivables as a result of the slowing Chinese economy and the deleveraging policy as well as the uncertainties arising from the COVID-19 outbreak; and
3. Impairment of goodwill and intangible assets arising from acquisition of Beijing Libre Commercial Management Co.,Ltd due to the forward looking uncertainties arising from the US-China trade wars and the COVID-19 outbreak.

The Company is still in the process of finalizing the financial results of the Group for FY2019. Further details of the Group's financial performance will be disclosed when the unaudited financial results of the Group for FY2019 are announced on or before 29 February 2020.

Update on the Group's operations in relation to the COVID-19

The Board also wishes to provide an update on the Group's current operations in the People's Republic of China (“**China**”) and the precautionary measures implemented in response to the spread of the COVID-19 in China.

The COVID-19 has quickly swept the whole of China, spreading to two dozen countries, including Singapore. It has now claimed more than 1,300 lives, with over 59,000 confirmed patients in China¹. Since the COVID-19 outbreak, the Chinese Government has mobilized the whole country to prevent and fight the COVID-19, and has severely restricted the mobility of large segments of the population and the operation of non-fundamental businesses, with the objective of slowing and reducing the spread of the COVID-19, which leads to the Chinese economy coming to a standstill.

The World Health Organisation (the “**WHO**”), together with the support of the international community, is cooperating with China to mount an effective global response to this outbreak. WHO has repeatedly praised the Chinese government for its handling of the epidemic: “The speed with which China detected the outbreak, isolated the virus, sequenced the genome and shared it with WHO and the world are impressive, and beyond words. So is China's commitment to transparency and to supporting other countries.”²

¹ <http://www.nhc.gov.cn/xcs/yqfkdt/202002/26fb16805f024382bff1de80c918368f.shtml>

² http://www.xinhuanet.com/english/2020-02/07/c_138763848.htm

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Currently, there are signs showing that the disease-control measures in place are effective, and the necessity to get back to business in China is becoming more insistent.

The Group currently provides hospitality facilities management solution and a license to our intellectual properties for the use of our brand names to 2 hotels located in the Anhui Province, Huangshan and Yunnan Province, Lijiang in China.

In accordance with the latest directives from the Chinese government and local health authorities in various cities of the provinces, the 2 hotels are temporarily closed until further notice. The re-opening dates of the abovementioned hotels will be announced in due course.

The Group will continue to monitor the COVID-19 situation closely, maintain communications with the relevant parties and implement additional short-term precautionary measures, if required.

As the situation relating to the spread of the COVID-19 remains uncertain, it is currently difficult to ascertain the financial impact it has on the financial performance of the Group. Nevertheless, the Group looks forward to resuming normal operations as soon as it is appropriate to do so.

The Company will provide further updates as soon as there are material developments of the situation.

In the meantime, the Board wishes to advise shareholders of the Company (the “**Shareholders**”) and investors to exercise caution when dealing in the shares of the Company. When in doubt as to the action they should take, Shareholders and investors should consult their stockbrokers, bank managers, solicitors or other professional advisers.

BY ORDER OF THE BOARD

Peng Fei

Executive Director and Chief Executive Officer

14 February 2020

*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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