

**HEALTHBANK HOLDINGS LIMITED**  
(Company Registration No. 201334844E)  
(Incorporated in the Republic of Singapore)

---

**PROPOSED ACQUISITION OF LIBRE HOSPITALITY LIMITED**

---

**1. INTRODUCTION**

The Board of Directors (the “**Board**” or the “**Directors**”) of HealthBank Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that, the Company has on 31 December 2021 entered into the sale and purchase agreement (the “**SPA**”) with Ms. Wang Meijia (the “**Vendor**”, and together with the Company, the “**Parties**” and each a “**Party**”), pursuant to which, the Vendor agrees to sell to the Purchaser, and the Purchaser agrees to purchase from the Vendor, 10% of the Vendor’s interest in the entire and fully paid-up equity and share capital of Libre Hospitality Limited (“**LHL**”) (the “**Sale Shares**”), at a consideration of RMB 5.2 million (the “**Consideration**”) (the “**Proposed Acquisition**”).

LHL, through its wholly-owned subsidiary, Hainan Zhong Zhi Cultural Tourism Limited (海南众志文化旅游有限公司) (the “**WOFE**”, and together with LHL, the “**Target Group**”), holds 8% interests respectively in Hainan Fuda Construction Materials Co., Ltd (海南福达建材有限公司) (“**Hainan Fuda**”) and Hainan Fufa Plantations Co., Ltd (“**Hainan Fufa**”) (海南福发种植有限公司) (collectively, the “**Project Companies**”), who jointly develop the Atlantis Garden Project (亚特兰蒂斯花园项目), a service apartment development project located in the west side of Qionghuan Avenue, Jiangdong District, Haikou City, Hainan Province, People’s Republic of China (the “**Project**”).

The Proposed Acquisition has been completed on 31 December 2021. Accordingly, LHL and the WOFE are now wholly-owned subsidiaries of the Group.

**2. BACKGROUND TO THE PROPOSED ACQUISITION**

**2.1. Information on the Vendor**

The Vendor is a business associate of the Group whom introduces business opportunities to the Group from time to time, including the Proposed Acquisition.

For avoidance of doubt, no introducer fee or commission paid or payable by the Group to the Vendor in relation to the Proposed Acquisition. The Vendor does not hold any shares in the Company and is not related to the Group, the directors, controlling shareholders and substantial shareholders of the Company, and their respective associates.

**2.2. Information on LHL**

LHL is an investment holding company limited by shares incorporated in the Hong Kong Special Administrative Region (“**Hong Kong**”) of the People’s Republic of China (the “**PRC**”) and is principally engaged in the business of property investment, solely through its investment in the WOFE currently. LHL is currently 90%-owned by the Company and 10% owned by the Vendor.

### **2.3. Information on the WOFE**

The WOFE is an investment holding company incorporated in the PRC and is classified as a wholly-owned foreign enterprise in the PRC as it is wholly-owned by LHL. It is principally engaged in the business of property investment, solely through its investment in the Project Companies currently. The legal representative of the WOFE is Jiang Longjiang.

### **2.4. Information on the Project Companies and the Project**

Hainan Fuda and Hainan Fufa are private companies limited by shares incorporated in Hainan Province of the PRC. Both Project Companies are principally engaged in the business of property development and management.

As at the date of this announcement, the WOFE holds 8% interests in the respective Project Companies and the remaining 92% interests in the respective Project Companies are held by third parties who are not related to the Group, the directors, controlling shareholders and substantial shareholders of the Company, and their respective associates.

Hainan Fuda and Hainan Fufa are the registered and beneficial owners of a piece of leasehold land held under 2 separate titles, namely Haikou City (2007) No. 006731 and Haikou City (2007) No. 006743 in the west side of Qionghuan Avenue, Jiangdong District, Haikou City, Hainan Province, measuring approximately 25,131 square metres (of which 4,122.99 square metres have been sold as at 12 July 2021), on which it is developing a service apartment development project known as “Atlantis Garden”. The Project is facing the Hainan Provincial Government building from the Nandu River and has a gross planned construction area of approximately 69,760 square metres (of which the completed construction area is approximately 66,908 square metres as at 12 July 2021). It comprises of 280 units of residential apartments across 4 blocks of 15-storey residential buildings, 1 block of 3-storey commercial building with gross retail floor area of 2,852 square meters and one level of underground car parks in all abovementioned 5 buildings housing 478 car park bays. As disclosed in the Company’s announcement dated 13 August 2021, the Project experienced some delays due to the COVID-19 pandemic and barring unforeseen circumstances, it is expected to be completed by June 2022.

The project site is located in the downtown area of Haikou in Jiangdong District which is considered the center of the new Central Business District area, facing Hainan Provincial Government building from the river. It is 200 meters away from Nandu River and 3.5 kilometers from the east coast beach. According to the Chinese Government plan, Jiangdong District will be developed into a pilot area for Hainan International Free Trade Zone (“**Hainan FTZ**”).

As at 30 September 2021, the unaudited pro forma consolidated net asset value (“**NAV**”) and net tangible asset value (“**NTA**”) of the Project Companies are RMB 149.07 million and RMB 149.04 million, respectively.

### **2.5. Rationale of the Proposed Acquisition**

The fundamental investment outlook in Hainan FTZ has not change since the initial acquisition of 90% shareholding in LHL completed in December 2019.

On 1 June 2020, the Chinese Government announced the master plan for Hainan FTZ, aiming to build the island into a globally-influential high-level free trade port, in that a free trade port

system focusing on trade and investment liberalization and facilitation will be “basically established” by 2025 and become “more mature” by 2035.<sup>1</sup>

Hainan FTZ also plans to lock in three sectors, including duty-free shopping, international medical care and international education, in its drive to become an international tourism and consumption destination, according to its 2021-2025 development plan.<sup>2</sup>

Meanwhile, due to the current policy of new house sales price cap temporarily set by the Chinese Government to prevent property boom due to the establishment of Hainan FTZ, the existing market price has not reflected the real market value of the local property market, and it is expected to be gradually loosened. Accordingly, the Board is of the view that this continues to give the Group an attractive opportunity to invest in the real estate market in the Hainan FTZ at the beginning of the development plan for Hainan FTZ to enjoy the potential growth in the coming years.

After considering the above factors, the Board is of the view that the Proposed Acquisition is in the best interest of the Group as it allows the Group to increase its equity interest in LHL, thereby potentially improving the future earnings of the Group.

## 2.6. Valuation of the Project

The Company has appointed Hainan Licheng Land-Real Estate Appraisal Co., Ltd (海南立诚土地房地产评估有限公司), who was the independent valuer when the Group acquired 90% equity interests in LHL in 2019, as the independent valuer (“**Independent Valuer**”) to perform independent valuation of the Project based on the relevant PRC national valuation standards, laws and regulations, as well as the PRC National Standard Code for Real Estate Appraisal (GB/T50291-2015), the PRC National Standard Basic Terminology Standards of Real Estate Appraisal (GB/T50899-2013) and the PRC National Standard Urban Land Evaluation Procedures (GB/T 18508-2014). The Independent Valuer is currently a member of the China Real Estate Valuers Association (CREVA) which is under the Ministry of Land and Resources of the PRC, and a member of the China Institute of Real Estate Appraisers and Agents (CIREA) which is under the Ministry of Housing and Urban-Rural Development.

Based on the valuation report dated 16 July 2021 (the “**Valuation Report**”) issued by the Independent Valuer, the current market value of the Project on an “as is” basis is RMB 690.2 million as at 12 July 2021. In arriving at the valuation, the Independent Valuer has adopted a combination of replacement cost method and residual method to value the Project, which are both common valuation methods for property development projects.

The replacement cost method is used to estimate the value of the Project based on the sum of the cost of land and cost of construction, less depreciation. The residual method is used to estimate the value of the Project based on the principle that the amount to be paid is equal to the difference between (i) the completed development value based on the existing sales price, and based on the highest and best use for the site and (ii) the total cost of all construction and building works required to carry out the development, including all ancillary costs such as transaction costs, professional fees, financing costs and an appropriate allowance for profit for the development.

---

<sup>1</sup> Extracted from an article entitled “Xinhua Headlines: Hainan free trade port reaffirms China’s commitment to opening up” published on 2 June 2020 on XINHUANET.COM: [http://www.xinhuanet.com/english/2020-06/02/c\\_139105980.htm](http://www.xinhuanet.com/english/2020-06/02/c_139105980.htm)

<sup>2</sup> Extracted from an article entitled “China’s free trade port unveils opening-up plan” published on 17 November 2021 on XINHUANET.COM: [http://www.news.cn/english/2021-11/17/c\\_1310315561.htm](http://www.news.cn/english/2021-11/17/c_1310315561.htm)

## 2.7. Valuation of the Sale Shares

After taking into account the market value of the Project, the pro forma revalued NAV (“**RNAV**”) and the pro forma revalued NTA (“**RNTA**”) of the Target Group as at 30 September 2021 are approximately the same at RMB 39.93 million.

## 3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

### 3.1. Consideration

The Consideration for the Sale Shares is RMB 5.2 million will be satisfied by the Company to the Vendor through the direct payment from Hainan Fuda to the Vendor pursuant to a supplemental loan agreement dated 31 December 2021 signed by the Company and Hainan Fuda as well as a payment arrangement agreement dated 31 December 2021 signed by the Company and the Vendor. Please refer to paragraphs 3.3 and 3.4 below for further information.

The Consideration is at a 30.2% premium over the RNAV and the RNTA of the Target Group attributable to the Sale Shares as at 30 September 2021 and was arrived at on a willing-buyer willing-seller basis after arm’s length negotiations, taking into account the valuation on the Project conducted by the Independent Valuer appointed by the Group and accepted by the Vendor as well as the Project’s current status and potential higher future sale income when the price cap as mentioned in paragraph 2.5 above is gradually lifted. For avoidance of doubt, taking into consideration of the discount over the RNAV and the RNTA of the Target Group in the Company’s first acquisition of 90% in the Target Group, the Company still enjoys an aggregate discount of 3.1% for the overall acquisition of 100% in the Target Group.

### 3.2. Other Salient Terms

#### (i) Conditions Precedent

The completion of the Proposed Acquisition shall be conditional upon the following conditions having been fulfilled or waived (“**Conditions Precedent**”):

- a. the approvals of the Board of the Company, and the approval from the shareholders of the Company in a general meeting, if required, for the transactions contemplated by the SPA having been obtained;
- b. all necessary approvals and consents (whether governmental, corporate or otherwise and including from the SGX-ST) which are necessary or required to be obtained under any applicable laws and regulations (whether of Singapore, Hong Kong or the PRC) in respect of the transactions contemplated in the SPA, having been obtained on terms satisfactory to the Company, and such consents, approvals and waivers not having been amended or revoked before Completion (as defined below), and if such consents, approvals or waivers are granted subject to conditions, such conditions being acceptable to the Company;
- c. the receipt by the Company of, in form and substance satisfactory to it, original copies of the share certificates or the register of members of LHL (as the case may be), evidencing the title of LHL.

The Vendor and the Company each undertakes to use all reasonable endeavours to ensure that the Conditions Precedent are fulfilled as soon as reasonably practicable and

in any event within 3 month from the date of execution of the SPA (the “**Long-stop Date**”) or such other date as may be agreed by the Parties in writing.

If any of the Conditions Precedent is not fulfilled or waived by the relevant Party on or before the Long-stop Date and the time for the fulfilment thereof is not extended by the agreement of the Parties in writing, the SPA shall automatically terminate and none of the Parties shall have any claim of any nature whatsoever against any other Party under the SPA (save for, among others, rights and liabilities accrued prior to termination).

(ii) Completion

Completion of the Proposed Acquisition shall take place within 1 business day after the fulfilment and/or waiver of the Conditions Precedent or such other date as may be agreed in writing between the Parties (“**Completion**”).

### **3.3. Supplemental Loan Agreement with Hainan Fuda**

The Company has existing loans to Hainan Fuda with aggregate outstanding principal amounts of RMB 14.0 million at an interest rate of 4.75% per annum for its working capital purposes. The Company has entered into supplemental loan agreement dated 31 December 2021 with Hainan Fuda to novate part of the loan with principal amount of RMB 5.2 million to the Vendor to fulfil the Company’s obligation for the Consideration for the Sale Shares.

In addition, both parties have agreed to amend the aggregate principal loan amounts to RMB 9.5 million and extended the maturity dates to 20 June 2023 (for the loan with principal amount of RMB 3.7 million) and 7 July 2023 (for the loan with principal amount of RMB 5.8 million). The interest rate of the loans revised to 3.80% per annum, based on 1-year loan prime rate among the banks in the PRC.

By way of background, the Atlantis Garden Project is in development stage and requires financing to complete it. The Company decided to further support the Atlantis Garden Project as Hainan FTZ is slated by the Chinese Government for development into an international tourism destination and largest free trade zone in the PRC, which the Atlantis Garden Project can benefit from the policy incentives for the development in Hainan FTZ. The loan was granted to generate investment returns for the Group at market fixed deposit rate using internal resources in excess of the present working capital requirements. Total expected interest income arising from the supplemental loan agreement with Hainan Fuda is RMB 0.54 million.

### **3.4. Payment Arrangement Agreement with the Vendor**

The Company has entered into a payment arrangement agreement dated 31 December 2021 with the Vendor whereby the Company will direct Hainan Fuda to make the payment of RMB 5.2 million to the Vendor as part of Hainan Fuda’s obligation to pay the loan due to the Company and the Vendor agrees to accept such payment arrangement as the Company’s obligation to fulfil the Consideration for the Sale Shares.

After the signing of the payment arrangement agreement, both parties agree that the Company will no longer owe any monies to the Vendor and the Vendor will no longer request the Company for any payment in relation to the Proposed Acquisition.

#### 4. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition and the supplemental loan agreement with Hainan Fuda as described in paragraph 3.3 above on the Group set out below are purely for illustrative purposes only, and do not reflect the future financial position of the Group after completion of the Proposed Acquisition.

The financial effects have been prepared on a pro forma basis using the latest audited consolidated financial statements of the Group for the financial year ended 31 December ("FY") 2020 and assuming that: (i) expenses incurred in relation to the Proposed Acquisition are immaterial and disregarded; and (ii) no goodwill arising from the Proposed Acquisition as such impact, if any, will be assessed at year end audit for the consolidated financial statements of FY2021.

##### 4.1. NTA per Share

The effect of the Proposed Acquisition and the supplemental loan agreement with Hainan Fuda as described in paragraph 3.3 above on the consolidated NTA per share of the Group as at 31 December 2020, assuming that the Proposed Acquisition had been completed and the said supplemental loan agreement was signed on 31 December 2020, is as follows:

| As at 31 December 2020                                       | Before the Proposed Acquisition | After the Proposed Acquisition |
|--------------------------------------------------------------|---------------------------------|--------------------------------|
| NTA attributable to equity holders of the Company (RMB '000) | 64,862                          | 64,194                         |
| Number of issued shares (excluding treasury shares)('000)    | 78,000                          | 78,000                         |
| NTA per share (RMB cents)                                    | 83.16                           | 82.30                          |

##### 4.2. Loss per Share ("LPS")

The effect of the Proposed Acquisition and the supplemental loan agreement with Hainan Fuda as described in paragraph 3.3 above on the consolidated LPS of the Group for FY2020, assuming that the Proposed Acquisition had been completed and the said supplemental loan agreement was signed on 1 January 2020, is as follows:

| FY2020                                                        | Before the Proposed Acquisition | After the Proposed Acquisition |
|---------------------------------------------------------------|---------------------------------|--------------------------------|
| Loss attributable to equity holders of the Company (RMB '000) | (4,907)                         | (5,214)                        |
| Number of issued shares (excluding treasury shares)('000)     | 78,000                          | 78,000                         |
| LPS (RMB cents)                                               | (6.29)                          | (6.69)                         |

## 5. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

Based on the latest announced unaudited consolidated financial statements of the Group for the half year ended 30 June 2021, the relative figures of the Proposed Acquisition as computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

|                                                                                                                                                                                                                                                                                                                                         | Relative Figures (%)                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>Rule 1006 (a)</b><br>The NAV of the assets to be disposed of, compared with the Group's NAV as at 30 June 2021. This basis is not applicable to an acquisition of assets.                                                                                                                                                            | Proposed Acquisition:<br>Not applicable<br><br>Provision of financial assistance:<br>13.3% <sup>(1)</sup>             |
| <b>Rule 1006 (b)</b><br>The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits as at 30 June 2021.                                                                                                                                                                                   | Not applicable <sup>(2)</sup>                                                                                         |
| <b>Rule 1006 (c)</b><br>Aggregate value of consideration given or received, compared with the market capitalisation of the Company.                                                                                                                                                                                                     | Proposed Acquisition:<br>46.4% <sup>(3)(4)</sup><br><br>Provision of financial assistance:<br>28.7% <sup>(3)(4)</sup> |
| <b>Rule 1006 (d)</b><br>The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.                                                                                                                                                   | Not applicable <sup>(5)</sup>                                                                                         |
| <b>Rule 1006 (e)</b><br>The aggregate volume of amount of proven and probable reserves to be acquired, compared with the aggregate of the Group's proven and probable reserves. This basis is only applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. | Not applicable                                                                                                        |

### Notes:

- (1) The loans provided by the Company to Hainan Fuda is considered provision of financial assistance under Chapter 10 of the Catalist Rules. Accordingly, relative figure for Rule 1006(a) of the Catalist Rules is computed based on the aggregate principal loan amounts of RMB 9.5 million under the supplemental loan agreement as described in paragraph 3.3 above and the latest announced consolidated NAV of the Group as at 30 June 2021 of RMB 71.65 million.
- (2) Not applicable as there is no profit or loss recorded in the books of LHL and the WOFE since the incorporations of these companies, on 5 July 2018 and 18 October 2019 respectively, up to 30 June 2021 and the financial results of the Project Companies will not be consolidated in the Group's financial statements and there will be no sharing of financial results from the Project Companies by the Group and the investment in the Project Companies are held as financial assets (i.e. unquoted investments) in the book of the WOFE and it will be fair valued through profit or loss in the financial statements of the Group for FY2021.
- (3) Total consideration in relation to the Proposed Acquisition is computed based on the aggregate of (i) the Consideration of RMB 5.2 million (or equivalent to S\$1.10 million based on the exchange rate of S\$1 : RMB 4.71), (ii) the aggregate principal amount of the loan extended by the Company to Hainan Fuda of RMB 9.5 million (or equivalent to S\$2.02 million based on the same exchange rate as above) pursuant to the supplemental loan agreement as described in paragraph 3.3 above, and (iii) waiver of interest of RMB 0.64 million (or equivalent to S\$0.14 million based on the same exchange rate as above) for the loan extended by the Company to Hainan Fuda for the period from 1 January 2021 to 19 December 2021.

For the purpose of the provision of financial assistance, relative figure for Rule 1006(c) of the Catalist Rules is computed based on the aggregate principal loan amounts of RMB 9.5 million under the supplemental loan agreement as described in paragraph 3.3 above.

- (4) The market capitalisation of the Company of S\$7.02 million is determined by multiplying 78 million ordinary shares in issue by the volume weighted average price of the shares of S\$0.09 per share on 31 December 2021, being the last full market day where the Company's shares were traded immediately preceding the date of the SPA on 31 December 2021.
- (5) Not applicable as there will be no issuance of equity securities by the Company in relation to the Proposed Acquisition.

Having regard to the above, as the only applicable relative figure computed based on Rule 1006(c) of the Catalist Rules exceeds 5% but does not exceed 75%, the Proposed Acquisition constitutes a "discloseable transaction" under Chapter 10 of the Catalist Rules.

Having regard to the above, as the relative figures computed based on Rule 1006(a) and Rule 1006(c) of the Catalist Rules exceeds 5% but does not exceed 50%, the loans provided by the Company to Hainan Fuda under the supplemental loan agreement as described in paragraph 3.3 above constitutes a "discloseable transaction" under Chapter 10 of the Catalist Rules.

## **6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Other than through their respective shareholdings in the Company, none of the Directors and controlling shareholders of the Company, or their respective associates, has any interest (direct or indirect) in the Proposed Acquisition and the supplemental loan agreement with Hainan Fuda.

## **7. SERVICE CONTRACTS WITH DIRECTORS**

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

## **8. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the SPA, the Valuation Report and the supplemental loan agreement with Hainan Fuda are available for inspection during normal business hours at the Company's registered office at 60 Paya Lebar Road, Paya Lebar Square, #04-30/31, Singapore 409051 for a period of 3 months from the date of this announcement.

## **9. 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 Proposed Acquisition, the supplemental loan agreement with Hainan Fuda, 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  
2 January 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.*