



Clearbridge Health Limited
37 Jalan Pemimpin #08-05 Mapex Singapore 577177
TEL 65 6251 0136 FAX 65 6251 0132
clearbridgehealth.com

**Clearbridge Health Limited
and its subsidiaries
Company Reg. No 201001436C**

Unaudited Condensed Interim Financial Statements
For the six months ended 30 June 2021

This announcement has been prepared by Clearbridge Health Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) and has been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “**Sponsor**”), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst. This announcement has not been examined or approved by the SGX-ST. 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 Mr. David Tham, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.



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Table of Contents

A. Unaudited condensed interim consolidated statement of comprehensive income	1
B. Unaudited condensed interim statement of financial position	2
C. Unaudited condensed interim statement of changes in equity	3
D. Unaudited condensed interim consolidated statement of cash flows	6
E. Notes to the unaudited condensed interim consolidated financial statements	7
F. Other information required by Listing Rule Appendix 7.2	29



A. Unaudited condensed interim consolidated statement of comprehensive income

	Note	GROUP		Increase/ (Decrease) %
		Six months ended 30 June		
		2021	2020	
		S\$'000	S\$'000	
Revenue		16,216	21,459	(24.4)
Purchases		(10,196)	(12,819)	(20.5)
Employee benefits expense	5	(4,493)	(3,930)	14.3
Depreciation expense		(1,734)	(1,986)	(12.7)
Amortisation expense		(315)	(89)	253.9
Other income		2,565	1,434	78.9
Fair value (loss)/gain on an associate		(1,203)	3,608	n.m.
Fair value (loss)/gain on derivative financial instruments		(2,624)	723	n.m.
Other operating expenses*		(3,316)	(3,467)	(4.4)
Finance costs		(967)	(980)	(1.3)
(Loss)/profit before taxation		(6,067)	3,953	n.m.
Income tax expense		(231)	(179)	29.1
(Loss)/profit for the period	6	(6,298)	3,774	n.m.
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Exchange difference on translation of foreign operations		(227)	(340)	n.m.
Remeasurement gain on retirement liability		6	-	n.m.
Total comprehensive income for the period		(6,519)	3,434	n.m.
(Loss)/profit attributable to:				
Owners of the Company		(8,313)	3,218	n.m.
Non-controlling interest		2,015	556	262.4
		(6,298)	3,774	n.m.
Total comprehensive income attributable to:				
Owners of the Company		(8,447)	2,969	n.m.
Non-controlling interest		1,928	465	314.6
		(6,519)	3,434	n.m.
(Loss)/profit per share				
- Basic and diluted	7	(1.36)	0.55	

Note:
 n.m. - not meaningful

* In order to provide more clarity to readers, the Group has identified the following major expenses as recurring and non-recurring for the six months ended 30 June 2021:

	Six months ended 30 June 2021		
	Recurring S\$'000	Non- recurring S\$'000	Total S\$'000
Employee benefits expense	4,454	39	4,493
Other operating expenses	2,808	508	3,316
	7,262	547	7,809

The non-recurring employee benefits expense was mainly due to share option expenses pursuant to the disposal of subsidiaries, Clearbridge Biophotonics Pte. Ltd. And its subsidiaries ("**CBBP group**").

The non-recurring other operating expenses were mainly due to one-off legal and professional fees incurred pursuant to disposal of subsidiaries, allowance of impairment of trade receivables and written off of property, plant and equipment.

Excluding the abovementioned non-recurring expenses of S\$0.55 million, gain on disposal of subsidiary of S\$2.01 million and fair value changes in an associates and derivative financial instruments of loss of S\$3.83 million (include reversal of derivative financial assets recognised on the Biolidics Limited call option of S\$2.75 million), the Group's loss before taxation would have been S\$3.71 million in 1H 2021 (1H 2020: Profit of S\$0.89 million).



B. Unaudited condensed interim statements of financial position

Note	GROUP		COMPANY	
	30/06/21 S\$'000	31/12/20 S\$'000	30/06/21 S\$'000	31/12/20 S\$'000
Non-current assets				
	-	-	24,402	25,394
Investments in subsidiaries	-	-	-	-
Investment in an associate	9 16,837	18,040	-	-
Property, plant and equipment	12 5,646	7,177	17	19
Investment property	15 2,090	2,112	-	-
Right-of-use assets	13 1,214	1,713	-	-
Intangible assets	14 1,429	1,624	3	3
Goodwill on consolidation	30,483	30,483	-	-
Other investments	787	787	-	-
Other receivables	4,293	4,251	-	-
Amounts due from subsidiaries	-	-	29,532	28,854
	62,779	66,187	53,954	54,270
Current assets				
Cash at banks and short-term deposits	22,276	14,029	5,950	3,594
Trade receivables	9,449	8,621	-	-
Prepayments	481	705	88	192
Other receivables	3,684	2,673	260	70
Amounts due from subsidiaries	-	-	28,451	31,519
Inventories	1,203	1,966	-	-
Derivative financial instruments	11 598	2,751	598	-
Assets held for sale	-	61	-	-
	37,691	30,806	35,347	35,375
Total assets	100,470	96,993	89,301	89,645
Current liabilities				
Borrowings	16 13,172	5,660	10,820	2,024
Trade payables	3,539	4,153	-	-
Other payables	6,313	7,051	448	433
Amounts due to subsidiaries	-	-	4,884	4,242
Lease liabilities	13 377	356	-	-
Contract liabilities	570	442	-	-
Liabilities directly associated with the assets held for sale	-	1,720	-	-
Income tax payable	264	207	-	-
	24,235	19,589	16,152	6,699
Net current assets	13,456	11,217	19,195	28,676
Non-current liabilities				
Borrowings	16 4,497	12,979	1,303	10,278
Other payables	720	746	-	-
Lease liabilities	13 871	1,440	-	-
Derivative finance instruments	11 -	124	-	124
Deferred tax liabilities	3,059	2,165	-	-
	9,147	17,454	1,303	10,402
Total liabilities	33,382	37,043	17,455	17,101
NET ASSETS	67,088	59,950	71,846	72,544
Equity attributable to owners of the Company				
Share capital	17 92,899	92,899	92,899	92,899
Capital reserve	(1,256)	(1,493)	(6,030)	(6,030)
Share-based payment reserve	4,068	3,721	4,069	3,722
Fair value reserve	37	37	-	-
Currency translation reserve	(389)	(202)	-	-
Other reserve	3	-	-	-
Accumulated losses	(33,945)	(34,975)	(19,092)	(18,047)
Reserves of a disposal group held for sale	-	463	-	-
Equity attributable to owners of the Company	61,417	60,450	71,846	72,544
Non-controlling interests	5,671	(500)	-	-
TOTAL EQUITY	67,088	59,950	71,846	72,544



C. Unaudited condensed interim statements of changes in equity

(In S\$'000)

<u>Group</u>	Share capital	Capital reserve	Share-based payment reserve	Fair value reserve	Currency translation reserve	Other reserve	Accumulated losses	Reserves of a disposal group held for sale	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2021	92,899	(1,493)	3,721	37	(202)	-	(34,975)	463	60,450	(500)	59,950
<i>Total comprehensive income for the period</i>											
Loss for the period	-	-	-	-	-	-	(8,313)	-	(8,313)	2,015	(6,298)
Other comprehensive income for the period	-	-	-	-	(132)	3	-	(5)	(134)	(87)	(221)
Total comprehensive income for the period	-	-	-	-	(132)	3	(8,313)	(5)	(8,447)	1,928	(6,519)
<i>Transactions with owners, recognised directly in equity</i>											
Dividend	-	-	-	-	-	-	-	-	-	(673)	(673)
Share-based payment - equity settled	-	-	347	-	-	-	-	-	347	-	347
Issuance of ordinary shares	-	-	-	-	-	-	-	-	-	-	-
Effects of dilution of interest in subsidiaries	-	-	-	-	-	-	9,855	(372)	9,483	3,288	12,771
Conversion of convertible bonds issued by a subsidiary to share capital of the subsidiary	-	-	-	-	-	-	(512)	-	(512)	512	-
<i>Change in ownership interest in subsidiaries</i>											
Disposal of subsidiaries	-	237	-	-	(55)	-	-	(86)	96	1,111	1,207
Issuance of preference shares of a newly incorporated subsidiary	-	-	-	-	-	-	-	-	-	5	5
Balance as at 30 June 2021	92,899	(1,256)	4,068	37	(389)	3	(33,945)	-	61,417	5,671	67,088



C. Unaudited condensed interim statements of changes in equity (cont'd)

(In S\$'000)

<u>Group</u>	Share capital	Capital reserve	Share-based / option payment reserve	Fair value reserve	Currency translation reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2020	88,945	(2,179)	2,646	1,110	(125)	(40,104)	50,293	(906)	49,387
<i>Total comprehensive income for the period</i>									
Profit for the period	-	-	-	-	-	3,218	3,218	556	3,774
Other comprehensive income for the period	-	-	-	-	(249)	-	(249)	(91)	(340)
Total comprehensive income for the period	-	-	-	-	(249)	3,218	2,969	465	3,434
<i>Transactions with owners, recognised directly in equity</i>									
Dividend	-	-	-	-	-	-	-	(161)	(161)
Share-based payment - equity settled	-	-	327	-	-	-	327	-	327
Issuance of ordinary shares	2,683	-	-	-	-	-	2,683	-	2,683
Effects of dilution of interest in subsidiaries	-	-	-	-	83	5,477	5,560	(2,821)	2,739
<i>Change in ownership interest in subsidiaries</i>									
Acquisition of a subsidiary	-	-	-	-	-	-	-	(144)	(144)
Balance as at 30 June 2020	91,628	(2,179)	2,973	1,110	(291)	(31,409)	61,832	(3,567)	58,265



C. Unaudited condensed interim statements of changes in equity (cont'd)

(In S\$'000)

<u>Company</u>	Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total equity
Balance as at 1 January 2021	92,899	(6,030)	3,722	(18,047)	72,544
Loss for the period, representing total comprehensive loss for the period	-	-	-	(1,045)	(1,045)
Share-based payment - equity settled	-	-	347	-	347
Balance as at 30 June 2021	92,899	(6,030)	4,069	(19,092)	71,846
Balance as at 1 January 2020	88,945	(6,716)	2,296	(9,382)	75,143
Loss for the period, representing total comprehensive loss for the period	-	-	-	(1,909)	(1,909)
Issuance of ordinary shares	2,683	-	-	-	2,683
Share-based payment - equity settled	-	-	327	-	327
Balance as at 30 June 2020	91,628	(6,716)	2,623	(11,291)	76,244

D. Unaudited condensed interim consolidated statement of cash flows

	GROUP	
	Six months ended 30 June 2021 S\$'000	Six months ended 30 June 2020 S\$'000
Operating activities		
(Loss)/Profit before taxation	(6,067)	3,953
Adjustments for:		
Actuarial loss on retirement plan	6	-
Share-based payment - equity settled	347	327
Gain on disposal of subsidiary	(2,012)	(485)
Depreciation of property, plant and equipment	1,238	1,726
Depreciation of investment property	45	-
Depreciation of right-of-use assets	451	260
Amortisation of intangible assets	315	89
Interest income	(41)	(92)
Interest expense	967	980
Inventories written off	18	98
Impairment of property, plant and equipment	210	-
Impairment of trade receivables	207	-
Fair value adjustment on contingent consideration	(19)	(8)
Fair value loss/(gain) on derivative financial instruments	2,624	(723)
Fair value loss/(gain) on associates	1,203	(3,608)
Unrealised foreign exchange loss/(gain)	39	(126)
Operating cash flows before changes in working capital	(469)	2,391
(Increase)/decrease in trade receivables	(1,033)	2,837
Decrease/(increase) in prepayments	224	(224)
(Increase)/decrease in other receivables	(860)	137
Decrease in inventories	745	226
Decrease in trade payables	(620)	(1,508)
Increase in other payables	266	1,252
Cash flows (used in)/generated from operations	(1,747)	5,111
Income tax paid	(209)	(105)
Interest paid	(516)	(583)
Interest received	41	92
Net cash flows (used in)/generated from operating activities	(2,431)	4,515
Investing activities		
Repayment of advance from third party	1,862	-
Purchase of property, plant and equipment	(468)	(265)
Payment for contingent consideration	(1,000)	-
Net proceeds from disposal of subsidiary	941	90
Net cash flows generated from/(used in) investing activities	1,335	(175)
Financing activities		
Dividend paid to non-controlling interests	(673)	(161)
Transaction costs on issue of shares	-	(17)
Proceeds from bank loans	600	1,755
Proceeds from issuance of convertible preference shares	11,505	-
Repayment of loans and borrowings	(1,847)	(2,279)
Repayment of lease liabilities	(465)	(240)
(Increase)/decrease in restricted deposits	(15)	288
Net cash generated from/(used in) financing activities	9,105	(654)
Net increase in cash and cash equivalents	8,009	3,686
Cash and cash equivalents at the beginning of the period	10,889	10,092
Effects of foreign exchange rate changes, net	175	(441)
Cash and cash equivalents at the end of the period	19,073	13,337



D. Unaudited condensed interim consolidated statement of cash flows (cont'd)

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	Six months ended 30 June 2021 S\$'000	Six months ended 30 June 2020 S\$'000
Cash and banks and short-term deposits	22,276	16,517
Less: Restricted deposits	(3,203)	(3,180)
Cash and cash equivalents	19,073	13,337

E. Notes to the unaudited condensed interim consolidated financial statements

1. Corporate information

Clearbridge Health Limited (the "Company") is a limited liability company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited. It is incorporated in Singapore with its principal place of business and registered office at 37 Jalan Pemimpin, #08-05 Mapex, Singapore 577177.

The principal activities of the Company are that of an investment holding company.

2. Basis of preparation

The condensed interim financial statements for the six months period ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the financial year ended 31 December 2020 ("FY2020"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for FY2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollar ("S\$") and all values are rounded to the nearest thousand ("S\$'000"), except when otherwise indicated.

2.1. New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty for the condensed interim financial statements were the same as those that applied to the consolidated financial statements as at and for FY2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there is no instance of application of judgement which is expected to have a significant impact on the amounts recognised in the Group's condensed interim financial statements for the six months ended 30 June 2021.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 11 – Fair value measurement of financial instruments

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the period under review.

4. Segment information

For management purposes, the Group is organised into business units based on reports reviewed by the management team that are used to make strategic decisions. There are four reportable operating segments as follows:

(i) **Strategic investments**

The strategic investments segment involves investments in identified early-stage biotechnology and information security companies, for which the performance of the investments is measured and evaluated on a fair value basis.

(ii) **Healthcare systems**

The healthcare systems segment involves the provision of diagnostic services and provision of renal care services by partnering with medical device equipment manufacturers and hospitals.

(iii) **Medical clinics/centres**

The medical clinics/centres segment involves the provision of general medical, dental and clinical services and distribution of the medical and pharmaceutical products.

4. Segment information (cont'd)

(iv) **Corporate segment**

The corporate segment involves the corporate functions in supporting the operations of the entire Group.

No operating segments have been aggregated to form the above reportable operating segment.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net fair value gain or loss for strategic investments, or operating profit or loss for healthcare systems, medical and dental clinics/centres and corporate segments.

4.1 Reportable segments

1 January 2021 to 30 June 2021	Strategic investments S\$'000	Healthcare systems S\$'000	Medical clinics/ centres S\$'000	Corporate S\$'000	Eliminations S\$'000	Total S\$'000
Revenue:						
External customers	–	11,192	5,024	–	–	16,216
Inter-segment	–	–	90	–	(90)	–
Total revenue	–	11,192	5,114	–	(90)	16,216
Results:						
Interest income	–	16	24	1	–	41
Depreciation expense	–	(969)	(757)	(8)	–	(1,734)
Amortisation expense	–	(253)	(62)	–	–	(315)
Other income	2,012	145	342	6	–	2,505
Fair value adjustment of contingent consideration for business combinations	–	16	3	–	–	19
Fair value loss on associates	(1,203)	–	–	–	–	(1,203)
Fair value (loss)/gain on derivative financial instruments	(2,681)	–	–	57	–	(2,624)
Segment loss	(2,090)	(550)	(729)	(2,929)	–	(6,298)
Assets:						
Investments in associates	16,837	–	–	–	–	16,837
Other investments	787	–	–	–	–	787
Derivative financial instruments	–	–	–	598	–	598
Additions to non-current assets	–	244	219	5	–	468
Segment assets	17,637	33,774	42,130	6,929	–	100,470
Segment liabilities	(2,709)	(7,953)	(10,149)	(12,571)	–	(33,382)

4. Segment information (cont'd)

4.1 Reportable segments (cont'd)

1 January 2020 to 30 June 2020	Strategic investments S\$'000	Healthcare systems S\$'000	Medical clinics/ centres S\$'000	Corporate S\$'000	Eliminations S\$'000	Total S\$'000
Revenue:						
External customers	–	8,766	12,693	–	–	21,459
Inter-segment	–	102	4,620	–	(4,722)	–
Total revenue	–	8,868	17,313	–	(4,722)	21,459
Results:						
Interest income	–	23	33	33	–	89
Depreciation expense	–	(1,219)	(759)	(8)	–	(1,986)
Amortisation expense	–	(78)	(11)	–	–	(89)
Other income	–	727	589	21	–	1,337
Fair value adjustment of contingent consideration for business combinations	–	59	(51)	–	–	8
Fair value gain on associates	3,608	–	–	–	–	3,608
Fair value gain/(loss) on derivative financial instruments	1,523	(167)	–	(633)	–	723
Segment profit/(loss)	5,121	(2,221)	3,827	(2,953)	–	3,774
Assets:						
Investments in associates	18,040	–	–	–	–	18,040
Other investments	787	–	–	–	–	787
Derivative financial instruments	2,751	–	–	–	–	2,751
Additions to non-current assets	–	212	43	10	–	265
Segment assets	21,594	34,051	37,457	3,891	–	96,993
Segment liabilities	(1,779)	(9,593)	(12,813)	(12,858)	–	(37,043)



4. Segment information (cont'd)

4.2 Disaggregation of revenue

	Group					
	Healthcare systems		Medical clinics/ centres		Total revenue	
	Six months ended 30 June					
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Major product or service lines						
Rendering of medical and clinical services	–	–	4,982	12,642	4,982	12,642
Laboratory testing services	8,839	6,124	–	–	8,839	6,124
Renal care revenue	2,353	2,642	42	51	2,395	2,693
	11,192	8,766	5,024	12,693	16,216	21,459
Primary geographical markets						
Singapore	–	48	4,060	2,862	4,060	2,910
Philippines	–	–	767	6,414	767	6,414
Indonesia	11,164	8,632	–	–	11,164	8,632
Hong Kong, Malaysia and others	28	86	197	3,417	225	3,503
	11,192	8,766	5,024	12,693	16,216	21,459
Timing of transfer of goods or services						
At a point in time	11,192	8,766	4,632	9,462	15,824	18,228
Over time	–	–	392	3,231	392	3,231
	11,192	8,766	5,024	12,693	16,216	21,459

5. Employee benefits expense

	Group	
	Six months ended 30 June 2021 S\$'000	Six months ended 30 June 2020 S\$'000
Directors' remuneration	98	98
Salaries and bonuses ⁽¹⁾	3,645	3,146
Defined contribution plan	253	206
Share-based payment – equity settled	385	327
Others	112	153
	4,493	3,930

⁽¹⁾ Include the bonus payment pursuant to the performance bonus scheme based on prior year performance.

6. (Loss)/profit before taxation

The following items have been included in arriving at (loss)/profit before taxation:

The Group's net (loss)/profit was arrived after (charging)/crediting the following:

	GROUP		
	Six months ended 30 June 2021 S\$'000	Six months ended 30 June 2020 S\$'000	Increase/ (Decrease) %
Interest expense on:			
- Borrowings	(265)	(230)	15.2
- Convertible bonds	(636)	(737)	(13.7)
- Lease liabilities	(66)	(13)	407.7
Depreciation expense on:			
- Property, plant and equipment	(1,238)	(1,726)	(28.3)
- Investment property	(45)	-	n.m.
- Right-of-use assets	(451)	(260)	73.5
Amortisation expense	(315)	(89)	253.9
Other income:			
- Grant income	278	368	(24.5)
- Interest income	41	89	(53.9)
- Licensing income	61	70	(12.9)
- Rental income	27	81	(66.7)
- Foreign exchange gain	-	304	n.m.
- Fair value adjustment on contingent consideration for business combinations	19	8	137.5
- Gain on disposal of subsidiary	2,012	485	314.8
- Gain on waiver of payables	78	-	n.m.
- Others	49	29	69.0
Material items included in other operating expenses:			
- Foreign exchange loss	(775)	-	n.m.
- Professional fees ⁽¹⁾	(488)	(873)	(44.1)
- Rental ⁽²⁾	(18)	(302)	(94.0)
- Allowance of doubtful debts	(207)	-	n.m.
- Impairment of property, plant and equipment	(210)	-	n.m.
- Inventories written off	(18)	(98)	(81.6)
Employee benefits expense			
- Share-based payment – equity settled	(385)	(327)	17.7

n.m. - not meaningful

Notes:

(1) This includes the non-recurring professional fees incurred pursuant to the disposal of subsidiaries, CBBP group which amounted to S\$0.05 million for the six months ended 30 June 2021 (2020: S\$0.22 million).

(2) Rental expenses for the six months ended 30 June 2021 represent short-term leases that are exempted from having to be recognised in the statement of financial position under SFRS(I) 16 Leases. The Group continues to recognise these short term lease payments as an expense in profit or loss on a straight-line basis over the lease term.



7. (Loss)/earnings per share

	Group	
	Six months ended 30 June 2021	Six months ended 30 June 2020
(Loss)/profit attributable to owners of the Company (S\$'000)	(8,313)	3,218
Weighted average number of shares ('000) ⁽¹⁾	612,018	584,520
(Loss)/earnings per share (cents)		
- Basic and diluted	(1.36)	0.55

For the purpose of calculating diluted (loss)/earnings per share, the weighted average number of shares have been adjusted for the effects of all dilutive potential ordinary shares.

Basic and diluted earnings/(loss) per share is the same as the Convertible Bonds and 2,985,475 shares awarded to employees on 28 April 2021 under the Company's performance share plan which will be vested and issued over 3 years are anti-dilutive.

Note:

- (1) In January 2021, the Company had allotted and issued 4,810,000 shares pursuant to the Company's performance share plan. These issuances of shares have been factored in arriving at the weighted average number of shares.

8. Net asset value

	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Net asset value (S\$'000)	61,417	60,450	71,846	72,544
Number of shares ('000)	617,215	612,405	617,215	612,405
Net asset value per share (cents)	9.95	9.87	11.64	11.85

9. Investment in an associate

	Group		Company	
	30 June 2021 S\$'000	31 December 2020 S\$'000	30 June 2021 S\$'000	31 December 2020 S\$'000
Investment designated as fair value through profit or loss ("FVTPL")				
Quoted equity shares				
- Ordinary shares	16,837	18,040	-	-

During the six months ended 30 June 2021, changes in fair value amounting to a loss of S\$1.20 million (30 June 2020: gain of S\$3.61 million) have been included in profit or loss.



9. Investment in an associate (cont'd)

Details of the Group's associate are as follows:

Name of associate	Principal activities (Country of incorporation and operations)	Proportion of ownership interest	
		2021 %	2020 %
Biolidics Limited (formerly known as Clearbridge Biomedics Pte. Ltd.) ⁽¹⁾	Research and development of biotechnology, life and medical science (Singapore)	22.7	22.8

(1) Audited by Ernst & Young LLP, Singapore.

10. Disposal of subsidiary

On 7 April 2021, the Group entered into a conditional share purchase agreement to dispose of 46.5% of its aggregate shareholding interests in Clearbridge Biophotonics Pte. Ltd. ("CBBP"), a subsidiary of the Group. The disposal consideration was fully settled in cash. The disposal was completed on 20 April 2021, on which control of CBBP was passed on to the acquirer.

The value of assets and liabilities of CBBP recorded in the consolidated financial statements as at 20 April 2021, and the effects of the disposal were:

	20 April 2021 S\$'000
Assets	
Plant and equipment	7
Cash and cash equivalents	4
Trade and other receivables	17
	28
Liabilities	
Trade and other payables	(2,100)
Deferred revenue	(17)
	(2,089)
Carrying value of net liabilities	(2,089)
Less: Non - controlling interest	1,111
Realisation of reserves	96
Net liabilities derecognised	(882)
Sales consideration	1,130
Less: Sales consideration not yet received	(185)
	945
Cash consideration received	945
Cash and cash equivalents of the subsidiary	(4)
	941
Gain on disposal	
Sales consideration	1,130
Net liabilities derecognised	882
	2,012

The gain on disposal attributable to measuring the retained interest amounted to S\$2.01 million was included in other income in profit or loss.

11. Derivative financial instruments

The Group was granted call options by third parties to acquire the third parties' interest in associates or other investments. The call options are derivative financial instruments accounted for at fair value through profit or loss:

	Group		Company	
	30 June 2021 S\$'000	31 December 2020 S\$'000	30 June 2021 S\$'000	31 December 2020 S\$'000
Assets				
Call options issued under the BSA operator agreement to acquire (Note A):				
- Quoted equity shares in an associate	–	2,751	–	–
Issuance of convertible bonds (Note B)	59	–	59	–
Call option on convertible preference shares (Note C)	539	–	539	–
	598	2,751	598	–
Current asset	598	2,751	598	–
Liabilities				
Issuance of convertible bonds (Note B)	–	124	–	124
	–	124	–	124
Non-current liabilities	–	124	–	124

Note A: In prior years, the Group entered into an investment arrangement with a third party who would co-invest dollar-for-dollar into investments deemed as qualifying investments under the Biomedical Sciences Accelerator ("**BSA**") operator agreement. As part of the arrangement, the third party had granted written call options to Clearbridge BSA Pte. Ltd. ("**CBBSA**"), a wholly-owned subsidiary of the Group, which represented CBBSA's right to call on investments invested by the said third party during the period from February 2014 to February 2020. The call option exercise consideration was equivalent to the third party's investment cost plus a return at a rate of 8% annual cumulative non-compounding simple interest.

In 2020, the third party had extended the expiry date of the call options relating to investment in an associate by 15 months, from 28 February 2020 to 28 May 2021. There is no further extension of the call options and they have expired on 28 May 2021.

Note B: Relates to the redeemable option and convertible options of the convertible bonds issued by the Company on 8 March 2019 and 17 May 2019 respectively.

Note C: On 16 March 2021, the Group entered into a subscription agreement with the investors to issue convertible preference shares by a subsidiary of the Company to the investors. The Company shall have the right to require any of the Investors to sell all or any part of the preference shares held by such Investors, at a price per preference share equivalent to the initial subscription price per share plus 5.0% of the initial subscription price per share per annum, calculated on a pro-rated basis up to the date of completion of transfer of the preference shares, less any dividends received by such Investor. The exchange consideration may be settled in cash, securities held by the Company listed and quoted on any stock exchange or new ordinary shares in the capital of the Company.

11. Derivative financial instruments(cont'd)

During the six months ended 30 June 2021, changes in fair value on derivative financial instruments amounting to a loss of S\$2.69 million (30 June 2020: gain of S\$0.72 million) have been included in profit or loss.

12. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to S\$0.47 million (30 June 2020: S\$0.27 million).

13. Leases

Group as a lessee

The Group has lease contracts for office and clinical premises used in its operations. Leases of office and clinical premises generally have lease terms between 1 and 12 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are no lease contracts that include extension or termination options and variable lease payments.

The Group also has certain leases of warehouse premises with lease terms of less than 12 months in which the Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Group	Office and clinical premises S\$'000
At 1 January 2020	1,787
Additions	906
Depreciation expense	(980)
	1,713
At 31 December 2020 and 1 January 2021	1,713
Additions	290
Derecognition of right-of-use assets	(338)
Depreciation expense	(451)
	1,214
At 30 June 2021	

13. Leases (cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group S\$'000
At 1 January 2020	1,761
Additions	899
Accretion of interest	11
Payments	(876)
Exchange difference	1
	<hr/>
At 31 December 2020 and 1 January 2021	1,796
Additions	290
Derecognition of lease liabilities	(338)
Accretion of interest	66
Payments	(531)
Exchange difference	(35)
	<hr/>
At 30 June 2021	<u>1,248</u>

	Group	
	30 June 2021 S\$'000	31 December 2020 S\$'000
Current	377	356
Non-current	871	1,440
	<hr/>	<hr/>
	1,248	1,796
	<hr/> <hr/>	<hr/> <hr/>

The following are the amounts recognised in profit or loss:

	Group	
	Six months ended 30 June 2021 S\$'000	Six months ended 30 June 2020 S\$'000
Depreciation of right-of-use assets	451	260
Interest expense on lease liabilities	66	13
Expense relating to short-term leases (included in other expenses)	18	303
	<hr/>	<hr/>
Total amount recognised in profit or loss	535	576
	<hr/> <hr/>	<hr/> <hr/>

During the six months ended 30 June 2021, the Group had total cash outflows for leases of S\$0.55 million (30 June 2020: S\$0.56 million). The Group also had non-cash additions to right-of-use assets of S\$0.29 million (31 December 2020: S\$0.91 million) and lease liabilities of S\$0.29 million (31 December 2020: S\$0.90 million).



14. Intangible assets

Group	Patent rights S\$'000	Trademark S\$'000	CAP laboratory accreditation S\$'000	Customer relationships S\$'000	Favourable rental agreement S\$'000	Computer software S\$'000	Total S\$'000
Cost:							
At 31 December 2020 and 1 January 2021	99	3	105	3,034	99	17	3,357
Reclassification from property, plant and equipment	–	–	–	–	–	296	296
Disposal	–	–	(105)	–	–	–	(105)
At 30 June 2021	99	3	–	3,034	99	313	3,548
Accumulated amortisation and impairment							
At 1 January 2020	99	–	105	562	63	4	833
Charge for the year	–	–	–	609	36	7	652
Exchange difference	–	–	–	82	–	(5)	77
Impairment	–	–	–	171	–	–	171
At 31 December 2020 and 1 January 2021	99	–	105	1,424	99	6	1,733
Charge for the period	–	–	–	262	–	53	315
Reclassification from property, plant and equipment	–	–	–	–	–	156	156
Disposal	–	–	(105)	–	–	–	(105)
Exchange difference	–	–	–	19	–	1	20
At 30 June 2021	99	–	–	1,705	99	216	2,119
Carrying amount:							
At 31 December 2020	–	3	–	1,610	–	11	1,624
At 30 June 2021	–	3	–	1,329	–	97	1,429



15. Investment property

	Group S\$'000
Balance sheet:	
Cost	
At 1 January 2020	–
Reclassification from property, plant and equipment	2,251
At 31 December 2020 and 30 June 2021	<u>2,251</u>
Accumulated depreciation	
At 1 January 2020	–
Reclassification from property, plant and equipment	94
Charge for the year	45
At 31 December 2020 and 1 January 2021	<u>139</u>
Charge for the period	22
At 30 June 2021	<u>161</u>
Net carrying value at 31 December 2020	<u>2,112</u>
Net carrying value at 30 June 2021	<u>2,090</u>

	Group	
	Six months ended 30 June 2021	Six months ended 30 June 2020
	S\$'000	S\$'000
Income statement:		
Rental income	27	81
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental-generating properties	<u>3</u>	<u>3</u>

The Group may not sell the investment property without the prior consent from the bank. The Group has no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Assets pledged as security

The Group's freehold property with a carrying amount of S\$2.09 million (31 December 2020: S\$2.11 million) is mortgaged to secure the Group's bank loan.



16. Borrowings

Amount repayable in one year or less, or on demand

As at 30 June 2021		As at 31 December 2020	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
3,512	9,660	3,854	1,806

Amount repayable after one year

As at 30 June 2021		As at 31 December 2020	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,577	1,920	2,972	10,007

Details of any collateral

As at the balance sheet date:

- i) The Group's bank borrowings of (a) S\$1.47 million (31 December 2020: S\$1.47 million) is secured by the property at 37 Jalan Pemimpin, #04-13 Mapex, Singapore 577177 (the "**Mapex Property**"), (b) S\$1.49 million (31 December 2020: S\$1.69 million) is secured by all the rights and interests in all material contracts and assets owned by the Company's subsidiaries, (c) S\$1.64 million (31 December 2020: S\$2.19 million) is secured by a charge over the issued share capital of the Company's subsidiaries, fixed deposit in the name of the Company's subsidiaries and corporate guarantee provided by the Company, (d) S\$1.36 million (31 December 2020: S\$1.48 million) is secured by fixed deposit in the name of the Company's subsidiary and standby letter of credit provided by the Company's subsidiary, (e) S\$0.13 million (31 December 2020: S\$0.22 million) which are secured by personal guarantee provided by a minority shareholder and corporate guarantee provided by the Company's subsidiaries and (f) S\$3.50 million (31 December 2020: S\$3.84 million) is unsecured.
- ii) On 8 March 2019 and 17 May 2019, the Company had issued convertible bonds ("**Convertible Bonds**") with an aggregate principal amount of S\$11 million to certain subscribers. The Convertible Bonds are unsecured, bear interest at 7.0% per annum and are convertible into new ordinary shares of the Company (the "**Conversion Shares**") at any time during the three-year tenure at a conversion price of S\$0.28 per Conversion Share. The conversion price has been adjusted to S\$0.14 ("**Adjusted Conversion Price**") as announced on 1 August 2019.

As at 30 June 2021, the carrying amount of the Convertible Bonds amounted to S\$8.08 million is included as current liabilities as the Convertible Bonds would mature in FY2022. As at 31 December 2020, the carrying amount of the Convertible Bonds amounted to S\$7.75 million, of which S\$0.14 million is included as current liabilities and S\$7.61 million as non-current liabilities.



17. Share capital

	The Group and the Company			
	30 June 2021		31 December 2020	
	Number of shares	Issued and paid-up share capital S\$	Number of shares	Issued and paid-up share capital S\$
Beginning of interim period/year	612,405,180	92,899,117	580,984,234	88,944,796
Issuance of conversion shares ⁽¹⁾	–	–	28,214,278	3,932,880
Issuance of shares ⁽²⁾	4,810,000	–	3,206,668	–
Reversal of share issuance expense	–	–	–	21,441
End of interim period/year	<u>617,215,180</u>	<u>92,899,117</u>	<u>612,405,180</u>	<u>92,899,117</u>

Notes:

- ⁽¹⁾ The Company had issued 19,285,708 and 8,928,570 Conversion Shares in April, May and August 2020 to certain subscribers of the Convertible Bonds pursuant to the conversion of the Convertible Bonds.
- ⁽²⁾ On 7 January 2021, the Company had allotted and issued 4,810,000 shares pursuant to the Company's performance share plan.

As at 30 June 2021, the Company had outstanding Convertible Bonds with an aggregate principal amount of S\$7.05 million, convertible into approximately 50,357,150 Conversion Shares at the Adjusted Conversion Price of S\$0.14 per Conversion Share.

By comparison, as at 30 June 2020, the Company had outstanding Convertible Bonds with an aggregate principal amount of S\$8.30 million, convertible into approximately 59,285,720 Conversion Shares at the Adjusted Conversion Price of S\$0.14 per Conversion Share.

As at 30 June 2021 and 30 June 2020, there were no treasury shares held by the Company and there were no subsidiary holdings.



18. Other related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

Compensation of directors and key management personnel

	Group	
	Six months ended 30 June 2021 S\$'000	Six months ended 30 June 2020 S\$'000
Short-term benefits	1,130	534
Post-employment benefits	45	25
Share-based payment – equity settled	317	309
Directors' fee	90	90
	1,582	958
Comprise amounts paid to:		
Directors of the Company	961	427
Other key management personnel	621	531
	1,582	958

The remuneration of directors and key management is determined by the board of directors having regard to the performance of individuals.

19. Fair value of financial assets and financial liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

19. Fair value of financial assets and financial liabilities (cont'd)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Fair value measurements at the end of the reporting period using			Total S\$'000
	Quoted prices in active markets for identical instruments S\$'000	Significant observable inputs other than quoted prices S\$'000	Significant unobservable inputs S\$'000	
2021				
Assets measured at fair value				
Financial assets				
Investments in associates at FVTPL				
Quoted equity shares	16,837	–	–	16,837
Derivatives financial assets	–	–	598	598
Other investments at fair value through other comprehensive income (“FVOCI”)				
Unquoted equity shares	–	787	–	787
Financial assets as at 30 June 2021	16,837	787	598	18,822
Liabilities measured at fair value				
Financial liabilities				
Contingent consideration for business combinations	–	–	2,053	2,053
Financial liabilities as at 30 June 2021	–	–	2,053	2,053

19. Fair value of financial assets and financial liabilities (cont'd)

(b) Assets and liabilities measured at fair value

	Fair value measurements at the end of the reporting period using			Total S\$'000
	Quoted prices in active markets for identical instruments S\$'000	Significant observable inputs other than quoted prices S\$'000	Significant unobservable inputs S\$'000	
2020				
Assets measured at fair value				
Financial assets				
Investments in associates at FVTPL				
Quoted equity shares	18,040	–	–	18,040
Derivatives financial assets	–	–	2,751	2,751
Other investments at FVOCI				
Unquoted equity shares	–	787	–	787
Financial assets as at 31 December 2020	18,040	787	2,751	21,578
Liabilities measured at fair value				
Financial liabilities				
Derivatives financial liabilities				
- Redeemable convertible option on convertible bonds	–	–	124	124
- Convertible loan	–	350	–	350
Contingent consideration for business combinations	–	–	3,056	3,056
Financial liabilities as at 31 December 2020	–	350	3,180	3,530

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for unquoted equity shares that is categorised within Level 2 of the fair value hierarchy:

Other investments and convertible loan

Unquoted equity shares and convertible loan are valued using the market approach valuation technique with market observable inputs. The most frequently applied valuation techniques include Guideline Public Company Method (“GPC”) and Guideline Public Transaction Method (“GPT”). The techniques use derived market multiples from market prices of comparable companies or actual transactions involving either minority or controlling interests in either publicly traded or closely held companies.



19. Fair value of financial assets and financial liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value as at 30 June 2021 S\$'000	Valuation techniques	Significant unobservable inputs	Relationship unobservable inputs to fair value
<u>Derivative financial assets</u>				
Call options on convertible preference shares	539	Binomial Option Pricing Model "OPM" methodology. The stock price is projected based on a lattice tree structure under the binomial option pricing model and the strike price is derived based on the underlying investments cost and a simple non-compounding interest rate of 5%.	Projected stock price volatility	The higher the volatility, the higher the fair value. An increase by 10% points would result in a higher fair value of S\$27,000.
Redeemable convertible option on redeemable convertible bonds	59	Binomial Option Pricing Model "OPM" methodology. The stock price is projected based on the fair value of the shares of the Company.	Projected stock price volatility	The higher the volatility, the higher the fair value. An increase by 15% points would result in a higher fair value of S\$1,000.
Financial assets as at 30 June 2021	598			
<u>Other payables</u>				
Contingent consideration for business combinations	2,053	Discounted cash flow and probability of meeting EBITA or NPAT target based on projected cash flow.	Discount rate	The higher the discount rate, the lower the fair value. An increase by 1% would result in a lower fair value of S\$18,000.
Financial liabilities as at 30 June 2021	2,053			



19. Fair value of financial assets and financial liabilities (cont'd)

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value as at 31 December 2020 S\$'000	Valuation techniques	Significant unobservable inputs	Relationship unobservable inputs to fair value
<u>Derivative financial assets</u>				
Call options	2,751	Binomial Option Pricing Model "OPM" methodology. The stock price is projected based on a lattice tree structure under the binomial option pricing model and the strike price is derived based on the underlying investments cost and a simple non-compounding interest rate of 8%.	Projected stock price volatility	The higher the volatility, the higher the fair value. An increase by 10% points would result in a higher fair value of S\$139,000.
Financial assets as at 31 December 2020	<u>2,751</u>			
<u>Derivative financial liabilities</u>				
Redeemable convertible option on redeemable convertible bonds	124	Binomial Option Pricing Model "OPM" methodology. The stock price is projected based on the fair value of the shares of the Company.	Projected stock price volatility	The higher the volatility, the higher the fair value. An increase by 15% points would result in a higher fair value of S\$10,000.
<u>Other payables</u>				
Contingent consideration for business combinations	3,056	Discounted cash flow and probability of meeting EBITA or NPAT target based on projected cash flow.	Discount rate	The higher the discount rate, the lower the fair value. An increase by 1% would result in a lower fair value of S\$11,000.
Financial liabilities as at 31 December 2020	<u>3,180</u>			



19. Fair value of financial assets and financial liabilities (cont'd)

(d) Level 3 fair value measurements

(ii) Information about significant unobservable inputs used in Level 3 fair value measurements

	Fair value measurements using significant unobservable inputs (Level 3)				
	Call options S\$'000	Convertible loan S\$'000	Derivative financial liabilities/ assets S\$'000	Contingent consideration S\$'000	Total S\$'000
At 1 January 2020	2,357	–	(2,025)	(3,026)	(2,694)
Expiry of call option	(720)	(1,505)	–	–	(2,225)
Total gains/(losses) included in profit or loss	1,114	1,155	621	(30)	2,860
Derecognition of derivative arising from convertible bonds	–	–	497	–	497
Transfer out to level 2(c)	–	350	–	–	350
Conversion of convertible bonds	–	–	783	–	783
At 31 December 2020 and 1 January 2021	2,751	–	(124)	(3,056)	(429)
Expiry of call option	(2,751)	–	–	–	(2,751)
Total (losses)/gains included in profit or loss	(126)	–	183	3	60
Payment for contingent consideration	–	–	–	1,000	1,000
Recognition of derivative arising from convertible preference shares	665	–	–	–	665
At 30 June 2021	539	–	59	(2,053)	(1,455)

19. Fair value of financial assets and financial liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(iii) Valuation policies and procedures

The board of directors is responsible for setting and documenting the Group's valuation policies and procedures.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

(e) Fair value and carrying amount of the Group's asset not measured at fair value, for which fair value is disclosed

The following table shows an analysis of the Group's asset not measured at fair value, for which fair value is disclosed:

Asset	Fair value measurements at the end of the reporting period using:			Fair value total S\$'000	Carrying amount S\$'000
	Quoted prices in active markets for identical instruments (Level 1) S\$'000	Significant observable inputs other than quoted prices (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000		
30 June 2021					
Investment property	–	2,050	–	2,050	2,090
31 December 2020					
Investment property	–	2,050	–	2,050	2,112

Determination of fair value

Valuation of investment property

Investment property (Note 15): The valuation of investment property is based on the direct comparison method.



F. Other information required by Listing Rule Appendix 7.2

1. 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.

	30 June 2021	31 December 2020
Total number of issued ordinary shares excluding treasury shares	617,215,180	612,405,180

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

Not applicable as there were no treasury shares.

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

Not applicable as there were no subsidiary holdings.

4. 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.

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

Not applicable.

- 5A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

6. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss 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 THE GROUP'S PERFORMANCE

Revenue

Revenue decreased by 24.4% or S\$5.24 million, from S\$21.46 million in the six months ended 30 June ("**1H**") 2020 to S\$16.22 million in 1H 2021.

Revenue from the medical clinics/centres decreased by S\$7.66 million, from S\$12.69 million in 1H 2020 to S\$5.03 million in 1H 2021 mainly due to a decrease in revenue from two aspects of the Group's business that had contributed substantially to the Group's revenue in 1H 2020, being: (i) the sale of medical supplies (i.e. face masks and personal protective items) at our medical clinics/centres operations in Hong Kong and (ii) the distribution of the COVID-19 Antibody Test Kits. As the pandemic progresses, the growing supply of medical supplies (i.e. face masks and personal protective items) and COVID-19 Antibody Test Kits have led to a highly competitive market.

The decline in revenue was partially offset by an increase in revenue from the ten dental clinics operating under the "Dental Focus" brand name and our medical clinic in Singapore, Medic Surgical Pte Ltd ("**Medic Surgical**").

Despite the increase in revenue from dental clinics and medical clinic in Singapore in 1H2021 as compared to 1H2020, the operations in Singapore were still affected by the reversion to Phase 2 (Heightened Alert) enforced by the government in May 2021 to contain the spread of the COVID-19 pandemic.

Revenue from the healthcare systems, comprising the provision of laboratory services and renal care services increased by S\$2.42 million, from S\$8.77 million in 1H 2020 to S\$11.19 million in 1H 2021. The increase was mainly contributed by PT Indo Genesis Medika ("**IGM Labs**") due to increase in patient flows for diagnostics services provided by the hospitals served by IGM Labs.

Purchases

Purchases decreased by 20.5% or S\$2.62 million, from S\$12.82 million in 1H 2020 to S\$10.20 million in 1H 2021, in line with the reduced revenue.

Purchases mainly comprised direct expenses incurred in processing specimens by in-house laboratory testing facilities or outsourced third party clinical laboratories, as well as consumables and medicines used by medical clinics/centres.

Employee benefits expense

Employee benefits expense increased by 14.3% or S\$0.56 million, from S\$3.93 million in 1H 2020 to S\$4.49 million in 1H 2021 mainly due to increase in bonus and share-based payment pursuant to the performance bonus scheme based on prior year performance that aims to promote higher performance goals and recognise exceptional achievements of employees.

Depreciation expense

Depreciation expense decreased by 12.7% or S\$0.26 million from S\$1.99 million in 1H 2020 to S\$1.73 million in 1H 2021 mainly due to renovation cost being fully depreciated in early 2021.



Amortisation expense

Amortisation expense increased by 253.9% or S\$0.23 million, from S\$0.09 million in 1H 2020 to S\$0.32 million in 1H 2021. The increase in amortisation expense was attributable to the intangible assets identified from the acquisition of IGM Labs that pertains to joint operation contracts with hospitals and reclassification of intangibles assets from property, plant and equipment.

Other income

Other income increased by 78.9% or S\$1.14 million, from S\$1.43 million in 1H 2020 to S\$2.57 million in 1H 2021 mainly due to the gain on disposal of the CBBP group of S\$2.01 million which was completed in April 2021 as well as the gain on waiver of debt from other payables of S\$0.08 million for the professional services received. These were partially offset by (a) a decrease in foreign exchange gain of S\$0.30 million recorded in 1H 2020, (b) a decrease in grant income of S\$0.09 million due to decrease in the Jobs Support Scheme grant and other grants from government agencies, and (c) a decrease in interest income of S\$0.05 million from fixed deposits placed with financial institutions.

Fair value (loss)/gain on an associate

The Group recorded a fair value loss on an associate amounting to S\$1.20 million in 1H 2021 compared to a fair value gain of S\$3.61 million in 1H 2020. The fair value loss on an associate was due to the decrease in the market value of the Group's interest in Biolidics Limited ("**Biolidics**"), a company listed on SGX Catalist.

Fair value (loss)/gain on derivative financial instruments

Fair value changes on derivative financial instruments was mainly attributable to changes in the fair value of the call options granted by SPRING SEEDS Capital Pte. Ltd. ("**Spring Seeds Capital**") to the Group in respect of Spring Seeds Capital's 9.75% interests in Biolidics (the "**Biolidics Call Option**") and 1.41% interest in Singapore Institute of Advanced Medicine Holdings Pte. Ltd. ("**SIAMH**") (the "**SIAMH Call Option**"), the fair value of the Convertible Bonds issued by the Company, convertible bonds issued by CBBP to Spring Seeds Capital as well as the fair value of the call options on convertible preference share issued by Clearbridge Medical Group Pte. Ltd. ("**CBMG Call Option**") as well as fair value of redeemable exchangeable bond (the "**REB**") issued by PT Kreasi Putra Nusantara ("**KPN**") to SAM.

On 17 February 2020, Spring Seeds Capital had agreed to further extend the expiry of the Biolidics Call Option from 28 February 2020 to 28 November 2020. Subsequently, it was further extended by another 6 months to 28 May 2021. Subsequently, there was no further extension of the Biolidics Call Option and it expired on 28 May 2021. This resulted in a reversal of derivative financial instruments asset recognised on the Biolidics Call Option in FY2021.

The Group recorded a fair value loss on derivative financial instruments of S\$2.62 million in 1H 2021, compared to a gain of S\$0.72 million in 1H 2020 due to the reversal of derivative financial asset recognised on the Biolidics Call Option of S\$2.75 million, fair value gain of Biolidics Call Option of S\$2.24 million recorded in 1H 2020 and fair value loss on the CBMG Call Option of S\$0.12 million. This was partially offset by fair value gain on the Convertible Bonds issued by the Company of S\$0.18 million as compared to a loss of S\$0.63 million in 1H 2020, fair value gain on the convertible bonds issued by CBBP to Spring Seeds Capital of S\$0.07 million and fair value loss recognised on the SIAMH Call Option and REB of S\$0.72 million and S\$0.17 million in 1H 2020 respectively.

The fair value of the Biolidics Call Option, the Convertible Bonds and the CBMG Call Option was arrived at based on an option pricing model which took into account, among others, the fair value of Biolidics, the Company as well as volatilities in the valuation of comparable companies.

Other operating expenses

Other operating expenses decreased by 4.4% or S\$0.15 million, from S\$3.47 million in 1H 2020 to S\$3.32 million in 1H 2021. This was mainly due to (a) a decrease in custom duty and import tax expenses on lower sales of the COVID-19 Antibody Test Kits of S\$0.54 million, (b) a decrease in bad debt written off of S\$0.35 million, and (c) a decrease in professional fees and consultancy fees of S\$0.44 million recorded by the Group.

The decrease was partially offset by (a) an increase in fixed assets written off recorded by the Philippines and Indonesia of S\$0.21 million, (b) an increase in allowance of doubtful debt of S\$0.21 million recorded by Indonesia, and (c) the foreign exchange loss of S\$0.78 million recorded by the Group in 1H 2021.

To provide better clarity to the readers, other operating expenses in 1H 2021 which were non-recurring expenses are as follows:

- i) professional fees relating to disposal of the CBBP group in 1H 2021 of S\$0.05 million (1H 2020: S\$0.22 million);
- ii) consultancy fees and other administrative expenses in 1H 2021 of S\$0.04 million (1H 2020: S\$0.19 million) incurred for research and development activities;
- iii) provision of expected credit losses on trade receivables in 1H 2021 of S\$0.21 million (1H 2020: Nil); and
- iv) fixed assets written off recorded by the Group's subsidiaries in the Philippines and Indonesia in 1H 2021 of S\$0.21 million (1H 2020: Nil);

Income tax expense

Income tax expense increased by 29.1% or S\$0.05 million, from S\$0.18 million in 1H 2020 to S\$0.23 million in 1H 2021. The increase in income tax expense was due to higher income tax expenses recognised by Medic Surgical, and the ten dental clinics.

(Loss)/profit for the period

As a result of the foregoing, the Group recorded a loss of S\$6.30 million in 1H 2021 as compared to a profit of S\$3.77 million in 1H 2020.

Excluding the abovementioned non-recurring expenses, gain on disposal of the CBBP group and fair value changes in an associate and derivative financial instruments, the loss before taxation recorded by the Group would have been S\$3.71 million in 1H 2021 as compared to a profit before taxation of S\$0.89 million in 1H 2020.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

The Group's non-current assets decreased by 5.2% or S\$3.41 million, from S\$66.19 million as at 31 December 2020 to S\$62.78 million as at 30 June 2021. This was mainly due to (a) a decrease in property, plant and equipment of S\$1.53 million mainly due to the depreciation expense recorded during the period, (b) a decrease in investment in an associate, Biolidics of S\$1.20 million arising from fair value loss recognised in 1H 2021, (c) a decrease in right-of-use assets of S\$0.50 million mainly due to depreciation expense recognised in accordance with SFRS(I) 16, and (d) a decrease in intangible assets of S\$0.20 million mainly due to amortisation expenses of customer relationship and computer software recorded during the period, partially offset by reclassification of computer software from property, plant and equipment.



Current assets

The Group's current assets increased by 22.3% or S\$6.88 million, from S\$30.81 million as at 31 December 2020 to S\$37.69 million as at 30 June 2021. This was mainly due to (a) an increase in cash and bank balances of S\$8.25 million, (b) an increase in trade receivables of S\$0.83 million mainly contributed by IGM Labs, in line with higher sales in Indonesia, and (c) an increase in other receivables of S\$1.01 million attributable to prepaid taxes relating to the Indonesia operations.

These increases were partially offset by (a) a decrease in derivative financial instruments of S\$2.15 million due to reversal of derivative financial instruments recognised by the Biolidics Call Option which expired in May 2021 and partially offset by recognition of the CBMG call option issued in March 2021, and (b) a decrease in inventories of S\$0.76 million due to inventories drawn down for sales made in Indonesia and the Philippines.

Current liabilities

The Group's current liabilities increased by 23.7% or S\$4.65 million, from S\$19.59 million as at 31 December 2020 to S\$24.24 million as at 30 June 2021. This was mainly due to an increase in borrowings of S\$7.51 million mainly due to loan drawn down by the Group for financing contingent consideration paid in 1H2021 and reclassification of Convertible Bonds from non-current liabilities to current liabilities of S\$7.37 million as the Convertible Bonds would mature in FY2022. This was partially offset by (a) liabilities directly associated with the assets held for sale by the CBBP group of S\$1.72 million as at 31 December 2020, (b) a decrease in trade payables of S\$0.61 million mainly due to lower purchases by the Group's subsidiaries in Philippines, Indonesia and Hong Kong, and (c) a decrease in other payables of S\$0.74 million mainly due to contingent consideration paid for the acquisition of Medic Laser Pte Ltd ("**Medic Laser**") and Medic Surgical announced by the Company on 2 April 2018 which amounted to S\$1.00 million, partially offset by an increase in value added tax payable recorded by IGM Labs, in line with the increase in revenue.

Non-current liabilities

The Group's non-current liabilities decreased by 47.6% or S\$8.30 million, from S\$17.45 million as at 31 December 2020 to S\$9.15 million as at 30 June 2021. This was mainly due to (a) a decrease in borrowings of S\$8.48 million mainly due reclassification of Convertible Bonds from non-current liabilities to current liabilities of S\$7.37 million and repayment of loan, (b) a decrease in lease liabilities of S\$0.57 million, and (c) reclassification of derivative financial instrument of S\$0.12 million from non-current liabilities to current asset in relation to the Convertible Bonds issued by the Company which would mature in FY2022. The decrease was partially offset by the increase in deferred tax liabilities of S\$0.89 million due to disposal of the CBBP group.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Cash outflow before changes in working capital for 1H 2021 amounted to S\$0.47 million. Net cash used in working capital for 1H 2021 amounted to S\$1.28 million mainly due to increase in trade and other receivables of S\$1.89 million and decrease in trade payables of S\$0.62 million and partially offset by decrease in inventories of S\$0.75 million, decrease in prepayments of S\$0.22 million and increase in other payables of S\$0.26 million.

As a result, net cash used in operating activities after adjusting for cash paid for income tax and interest expense, amounted to S\$2.43 million in 1H 2021.

Net cash generated from investing activities for 1H 2021 amounted to S\$1.34 million. This was mainly due to the repayment of advance from third party of S\$1.86 million and net proceeds from disposal of the CBBP group of S\$0.94 million. These were partially offset by contingent consideration paid for the acquisition of Medic Laser and Medic Surgical of S\$1.00 million as well as S\$0.46 million capital expenditure incurred for the expansion of medical clinics/centres in the Philippines, Singapore and laboratory services in Indonesia.

Net cash generated from financing activities for 1H 2021 amounted to S\$9.10 million which was attributable to proceeds from issuance of convertible preference share of S\$11.50 million and bank loans secured by the Group of S\$0.60 million. These increases were partially offset by the repayment of bank loans and lease liabilities of S\$1.85 million and S\$0.46 million respectively, dividend paid to a non-controlling shareholder of S\$0.67 million and decrease in restricted deposits of S\$0.02 million.

As a result, after adjusting for the effects of foreign exchange rate changes, there was a net increase in cash and cash equivalents of S\$8.18 million, from S\$10.89 million as at 31 December 2020 to S\$19.07 million as at 30 June 2021.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

8. 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.

The COVID-19 pandemic remains an evolving and unabating situation around the world with new variants of the virus continuing to emerge especially in recent months. As a result, countries in which the Group operates may continue to be impacted by the outbreak from time to time. Therefore, the Group expects to continue to face uncertainties arising from the ever-evolving COVID-19 situation in the coming months.

On 9 August 2021, the Group entered into a purchase contract with, among others, China National Biotec Group Company Limited (中国生物技术股份有限公司) and its subsidiary Beijing Institute of Biological Product Co., Ltd. (北京生物制品研究所有限责任公司) to purchase the SARS-CoV-2 Vaccine (Vero Cell), Inactivated or COVID-19 Vaccine (Vero Cell), Inactivated, also known as COVID-19 Vaccine BIBP (the "**Sinopharm COVID-19 Vaccine**") for use in Singapore (the "**Purchase Contract**").

Medic Surgical has been granted approval under the Health Sciences Authority of Singapore's Special Access Route scheme to import and supply the Sinopharm COVID-19 Vaccine in Singapore (the "**SAR Approval**"). The SAR Approval is valid for a period of six months from 6 July 2021, unless subsequently renewed.

Barring unforeseen circumstances, the Company expects the Purchase Contract to contribute positively to the revenue of the Group for the current financial year ending 31 December 2021. The Company, however, is unable to quantify such financial impact as the sales uptake of the Sinopharm COVID-19 Vaccine cannot be determined currently.

The Group will also continue to explore suitable opportunities to expand its business regionally through organic expansion, investments, mergers and acquisitions, joint ventures and/or strategic collaborations.

9. Dividend

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

Nil



9. Dividend (cont'd)

(b) (i) Amount per share

Nil

(ii) Previous corresponding period

Nil

(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) Date payable

Not applicable.

(e) Books closure date

Not applicable.

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

No dividend has been declared by the Company for 1H2021 as the Company was no profitable.

11. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate for interested person transactions. There was no interested person transaction of S\$100,000 or more in 1H2021.

12. Negative confirmation by the Board pursuant to Rule 705(5)

To the best of the knowledge of the board of directors of the Company ("Board"), nothing has come to the attention of the Board which may render the financial results for 1H 2021 of the Group and the Company to be false or misleading in any material aspect.

13. 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).

The Company has procured the undertaking from all of its directors and executive officers as required under Rule 720(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST.



14. Use of IPO proceeds

Pursuant to the initial public offering of the Company further to the offer document dated on 11 December 2017 (“**Offer Document**”), the Company received net proceeds of approximately S\$22.00 million (the “**IPO Net Proceeds**”). As at the date of this announcement, the IPO Net Proceeds have been utilised as follows:

	Amount allocated (as disclosed in the Offer Document) (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Balance (S\$'000)
Expansion of medical clinics/centres business organically or through, <i>inter alia</i> , investments, mergers and acquisitions, joint ventures and/or strategic collaborations	11,000	(7,402)	3,598
Expansion of laboratory testing services business organically or through, <i>inter alia</i> , investments, mergers and acquisitions, joint ventures and/or strategic collaborations	3,000	(3,000)	-
Working capital and general corporate purposes ⁽¹⁾	8,000	(8,000)	-
Total	22,000	(18,402)	3,598

Note:

⁽¹⁾ Comprises operating expenses.



Clearbridge Health Limited
37 Jalan Pemimpin #08-05 Mapex Singapore 577177
TEL 65 6251 0136 FAX 65 6251 0132
clearbridgehealth.com

15. Use of placement shares proceeds

Pursuant to the issuance of the placement shares further to the Company's placement shares announcement dated on 19 August 2019 ("Placement Shares Announcement"), the Company received net proceeds of approximately S\$11.28 million (the "Placement Net Proceeds"). As at the date of this announcement, the Placement Net Proceeds have been utilised as follows:

	Amount allocated (as disclosed in the Placement Shares Announcement) (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Balance (S\$'000)
Expansion of the Company's businesses through mergers and acquisitions, joint ventures, strategy collaborations and/or investment, or organically in Asia	7,893	-	7,893
General working capital purposes ⁽¹⁾	3,383	(3,383)	-
Total	11,276	(3,383)	7,893

Note:

⁽¹⁾ Comprises operating expenses.

ON BEHALF OF THE BOARD

Yee Pinh Jeremy
Executive Director and Chief Executive Officer

Chen Johnson
Non-Executive Non-Independent Chairman

Date
13 August 2021