REDEFINING HEALTHCARE IN ASIA WITH PRECISION

EMPOWERING PATIENT CARE WITH CLARITY

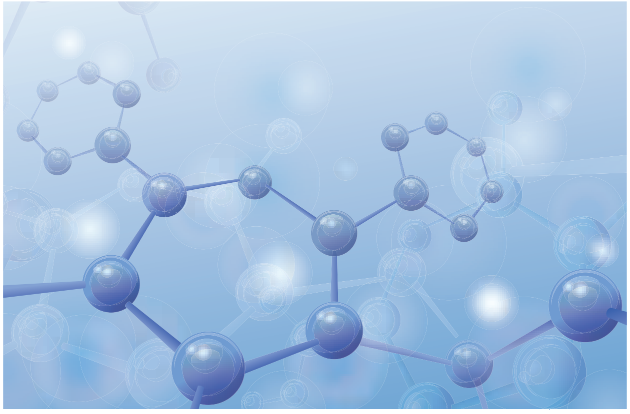
ANNUAL REPORT 2018

CONTENTS

CORPORATE PROFILE

Clearbridge Health Limited ("**Clearbridge**" or the "**Company**" and together with its subsidiaries, the "**Group**") is an integrated healthcare group with a focus on the delivery of precision medicine with businesses comprising healthcare systems, medical clinics/centres and strategic investments in medical technology companies. We are currently present in more than seven countries around the world and have plans to further expand our presence in Asia.

Working closely with healthcare professionals and globally-accredited laboratories, Clearbridge offers patient care through precision diagnostics, empowers clinicians and healthcare professionals to make reliable and accurate diagnoses, providing fresh insights into disease management, customising prevention and treatment programmes that are personalised and timely. The Group aims to provide effective ways to detect cancer, critical illness, and other lifestyle diseases in the world today.



In 2017, the Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (Stock symbol: 1H3).

For more information, please visit www.clearbridgehealth.com.

VISION

Redefining healthcare in Asia with precision. Empowering patient care with clarity.

MISSION

Setting a new standard for personalised care through the integration of healthcare services, medical technology and data science.

CORE VALUES

Kindness	–	Patients always comes first
Confidence	–	Better outcomes start with precise insights
Dependability	–	Our people – they are our edge
Respect	–	Professionalism in any and every circumstance
Trust	–	Delivering healthcare services with utmost integrity

ABOUT
PRECISION MEDICINE

We believe that the best healthcare and medical strategy is patient-centric, customised healthcare instead of a "one-size-fits-all" approach for disease treatment and prevention. Our technology provides the clarity to see what others cannot – leading the precise insights necessary in delivering tomorrow's personalised care today.

Precision medicine holds great potential to transform the healthcare industry. It is becoming a forthcoming approach to understanding the multifaceted nature of the manifestations of different diseases by considering the genetic makeup of an individual. By looking into individual variability in genes, environment and lifestyle, this may also allow us to improve the diagnosis and treatment outcomes through a more holistic approach.

Precision medicine also includes laboratory tests that determine drug sensitivity associations and individual disease risk. Not only can this approach help guide treatment decisions and create preventive strategies for the patient, but it may also predict which of them are likely to have an adverse reaction to a drug. This, in turn, assists the physician in deciding whether to administer a particular drug on the specific patient.

This individualised approach to the diagnosis and treatment of diseases such as cancer and diabetes enables healthcare professionals to identify the genetic make-up of patients so that they can be better matched with specific drugs and treatment programmes that are tailored for them. This gives patients renewed hope for better outcomes as it prevents them from having to suffer from a battery of ineffective drugs and treatment options.

With the increasing awareness about the benefits and effectiveness of precision medicine coupled with trends such as population growth, increased life expectancy and an ageing society, this has led to tremendous growth potential in the medical industry. Further, with the rapid expansion of advanced technologies, cutting edge research and internal capabilities of laboratory testing, precise personalised patient care is just a step away from becoming a clinical reality.

Clearbridge aims to be a leading precision healthcare provider by enhancing our delivery and the presence of precision medicine in the region. Our commitment as a leading precision healthcare provider is to offer individualised and holistic solutions for future healthcare management. We believe that we are well-positioned to benefit from this rising demand and we look forward to providing more effective ways to detect cancer, critical illness and other lifestyle diseases.

BUSINESS OVERVIEW

Clearbridge is focused on building our precision medicine platform in Asia based on three pillars, namely medical clinics/centres, healthcare systems, and strategic investments in medical technology companies. Our approach comprises data-driven clinical initiatives, collaborations with best-in-class technologies providers and direct access to consumers via owned primary healthcare and specialist providers. We aim to enable better healthcare and treatment with an ecosystem of complementary business components within Clearbridge's precision medicine platform.

1. MEDICAL CLINICS/CENTRES

Clearbridge has a growing network of owned and operated primary healthcare points across Asia that enable us to deploy our diagnostic tests and medical technologies so that more patients can enjoy the benefits of precision medicine. We aim to build a chain of revenue generating medical clinics and centres that will allow us to unlock economies of scale across our medical ecosystem.

The Group operates two clinics in Singapore and one in Hong Kong as well as a newly launched paediatric clinic in Kuala Lumpur, Malaysia. In the Philippines, we operate Clearbridge Medical Centre ("**CMC**") in Quezon City in addition to an aesthetics clinic.

2. HEALTHCARE SYSTEMS

Clearbridge provides a range of clinical diagnostic tests and services that we augment through third-party collaborations with clinics, pharmaceutical companies and other laboratories globally. Our services are available in Singapore, the Philippines, Malaysia, Indonesia and Hong Kong and include lifestyle and wellness management services such as health screening and management, cancer diagnostics, biomarker diagnostics and treatment monitoring, and prognosis.

We offer clinical diagnostic tests and services through SAM Laboratory Pte. Ltd. ("**SAM Lab**") which is accredited by the College of American Pathologists ("**CAP**") since 2015 and licensed by the Ministry of Health. SAM Lab, our pathology laboratory in Singapore, offers the circulating tumour cell ("**CTC**") technology along with a comprehensive suite of clinical diagnostic tests augmented by third-party collaborations. Our partnerships include Singapore General Hospital and other global partners like NanoString Technologies, Inc. ("**NanoString**"), Color Genomics ("**Color**"), Oneome LLC ("**Oneome**"), Matsumoto Institute of Life Sciences ("**MILS**"), Austin Pathology, Olivia Newton-John Cancer Research Institute ("**ONJCRI**") and Mediven Medical Innovation Ventures ("**Mediven**").

BUSINESS OVERVIEW

Through CMC in the Philippines, the Group provides not only pathology services but also imaging diagnostics, dental care, dialysis and renal care in the country. In Indonesia, Clearbridge is positioned to become one of its largest and dominant clinical laboratory operators through a Memorandum of Understanding ("**MOU**") for a stake in PT Indo Genesis Medika ("**Indo Genesis**"). This will enable the Group to manage 12 potential joint operations contracts for diagnostics laboratories in public hospitals in the country. Clearbridge also offers renal care services in 21 hospitals in Indonesia through our subsidiary PT Tirta Medika Jaya ("**PT TMJ**").

3. STRATEGIC INVESTMENTS IN MEDICAL TECHNOLOGY COMPANIES

Our strategic interests in three medical technology companies give us access to new products and/or services while strengthening market awareness of the Clearbridge brand through our relationships with various industry participants and key opinion leaders.

CLEARBRIDGE BIOPHOTONICS PTE. LTD. ("CBBP")

- Our subsidiary CBBP is an early stage start-up that utilises ground-breaking microscope technology from the California Institute of Technology ("**Caltech**") to revolutionise clinical diagnostics and biological research. It also has a sub-license agreement with Scopio Labs Ltd. ("**Scopio**") to provide access to the Fourier Ptychographic Microscope ("**FPM**") patent estate from Caltech.

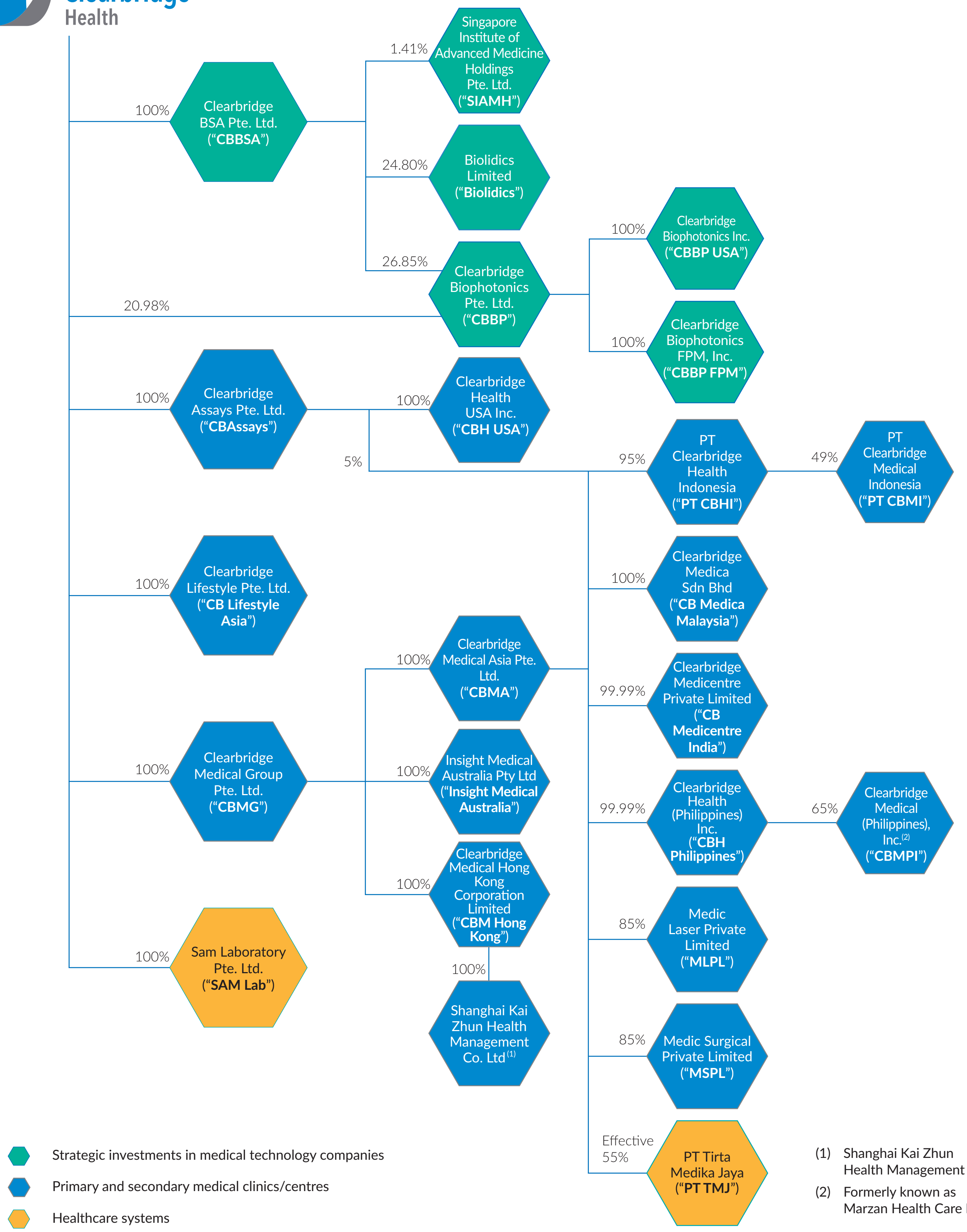
BIOLIDICS LIMITED ("BIOLIDICS")

- Our associated company Biolidics (formerly Clearbridge BioMedics Pte. Ltd.), is a Singapore-based medical technology company focused on the development of cell enrichment systems which, when combined with other analytical tests, have a wide range of applications for cancer diagnosis, prognosis, treatment selection and treatment monitoring. Biolidics has developed the ClearCell® FX1 System, a fully automated IVD medical device which relies on a novel patented technology to separate and enrich cancer cells from blood.

SINGAPORE INSTITUTE OF ADVANCED MEDICINE HOLDINGS PTE. LTD. ("SIAMH")

- SIAMH owns and operates a medical centre offering services in wellness, aesthetic, digital radiology and specialist management of gastrointestinal and liver disorders. In June 2018, it opened the Advanced Medicine Imaging Centre in Singapore, an oncology centre that provides specialised treatment to the rising number of people diagnosed with cancer in Southeast Asia.

CORPORATE **STRUCTURE**



(1) Shanghai Kai Zhun Health Management

(2) Formerly known as Marzan Health Care Inc.

OUR ASIA **FOOTPRINT**

Regional Offices

Exclusive Distribution for Diagnostic Services

Medical Clinics/Centres

CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS

On behalf of the board of directors of the Company ("**Board**" or "**Directors**"), it is my pleasure to present to you the annual report of Clearbridge for the financial year ended 31 December 2018 ("**FY2018**"). The last 12 months have been an exhilarating time characterised by significant growth and progress for Clearbridge as we pursued and executed our vision to bring better healthcare and treatment for all patients through precision medicine.

Despite macro-economic uncertainties last year, we were able to meaningfully grow our regional network of clinics, partners and precision medicine offerings, which was reflected by a year-on-year increase in our revenue by S$5.85 million in FY2018. This was made possible through a combination of EBITDA-focused acquisitions, third-party collaborations and a proactive capital optimisation strategy.

Our achievements were made on the back of a strong growth and acceptance of precision medicine globally, a market estimated to be worth US$78.85 billion in 2018. By 2028, this market is expected to grow at a compound annual growth rate ("**CAGR**") of 10.64% to over US$216.75 billion.[1]

The Asia Pacific, where we are based, is the fastest growing precision medicine market in the world as major countries like China, India and Japan embrace healthcare technologies rapidly. In 2018, the value of the Asia Pacific precision medicine market was US$11.0 billion[2] alone. It is anticipated that the Asia Pacific region's precision medicine market will grow at a CAGR of 16.63% to hit US$20.90 billion in 2023.[3]

There are many growth drivers behind the projected rise of precision medicine in the Asia Pacific. For one, this region is ageing at an unprecedented rate. According to the United Nations' Economic and Social Commission for Asia and the Pacific, the proportion of the population 60 years and older will grow from 12.4% in 2016 to more than 25% by 2050.[4] With this demographic, chronic or age-related diseases such as cancer and cardiovascular diseases will very likely become more prevalent in the region.

The Asia Pacific region is also witnessing a marked increase in healthcare awareness; income and affluence levels; private healthcare insurance coverage; and medical tourism – all of which are vital stimulants of precision medicine's growth in the region and further driving demand.[5] Furthermore, the increasing adoption of digital healthcare has also given rise to more choices in diagnosis, treatment and management of personalised medicine.

The Group is in the right place at the right time. The above-mentioned statistics underlies a strong positive future for Asia's precision medicine industry. Our Group, being an early mover in this space, is well positioned to capitalise on this wave of growth, and we will continue to make the right strategic steps to ensure our continued success.

I am also pleased to report that we have also successfully spun off one of our medical technology investments, Biolidics (formerly Clearbridge BioMedics Pte. Ltd.), onto the SGX-ST in December 2018. Biolidics is our precision medical diagnostic company involved in liquid biopsy. Biolidics has strong technology leadership and is well poised to further continue to develop new clinical and commercial applications of its ClearCell® FX1 System. Post listing, Biolidics has a strong balance sheet and no debt. Its recent tie-up with leading hematology instruments supplier, Sysmex, is a testament of Biolidics' disruptive, patented medical technology.

Inaugural Sustainability Report

Our first issue of Clearbridge's sustainability report is published as part of this annual report. Our report is prepared with reference to the Global Reporting Initiative ("**GRI**") Standards. Our sustainability report provides insights on our business practices and highlights our environmental, social, governance ("**ESG**") and economic performance.

As a responsible corporate entity, we strive to conduct our business in an accountable and transparent manner while continually seeking new and/or innovative ways to reduce waste and efficiently utilising resources in our operations. At the same time, we are committed to maintaining a sound sustainability reporting framework to fulfil our social responsibility and safeguard the interests of the Group's stakeholders.

Appreciation

In closing, I would like to express my utmost gratitude to our business partners, investors and shareholders for your continued trust, support and belief in Clearbridge. I want to thank my fellow Board members for their stewardship and guidance since our listing, and more importantly, the management team for helping the Group to stay on course to achieve our corporate goals and all Clearbridge employees for their dedication and hard work in FY2018. I hope that we continue working as a cohesive team and do the best that we can to generate optimum results and returns for all stakeholders.

Chen Johnson
Non-Executive Non-Independent Chairman

1 PR Newswire, BIS Research, "Global Precision Market – Analysis and Forecast, 2018-2028" dated 31 January 2019
2 Ken Research, "Rise in Ageing Population Followed By Need of Personal Care to Drive Precision Medicine Market in the Asia-Pacific Region", 16 January 2019
3 Market Watch, "Precision Medicine Market is projected to grow (CAGR) of 16.63%, leading to a revenue of USD20.90 Bn by 2023" published on 6 November 2018
4 United Nations ESCAP, Social Development Division. 2016 Population Data Sheet. 9 September 2016 revision
5 BIS Research, "Strategic Evaluation Of Precision Medicine – Country-wise Analysis for Emerging Opportunities", July 2018

CEO'S MESSAGE

DEAR SHAREHOLDERS

FY2018 was a year where we marked the actual operations of Clearbridge. Post listing on the Catalist Board of the SGX-ST in December 2017, we have achieved four consecutive quarters of topline growth in 2018. In 2018, the Group was focused on the regional expansion of its healthcare presence through an EBITDA-focused acquisition strategy. This has enabled us to be immediately revenue and earnings accretive while staying true to our primary business of being a provider of precision medical care.

We started with just two organic clinics at listing, and today we operate a network of medical clinics/centres and healthcare systems across different countries in Asia namely Singapore, Malaysia, Hong Kong and the Philippines, creating a sizable platform to promote our diagnostic tests, solutions/products in the region with an aim to concentrate on the cancer and chronic diseases space. Acquiring core competencies and gaining economies of scale became a pure focus of the Group.

Backed by a strong understanding of the markets we operate in and given our strengths in precision medical technology, we aim to disrupt the industry with our ability to deliver quality and low-cost healthcare for our patients. The well-being of our patients and their clinical outcomes are at the heart of our core mission. We are proud to have empowered them to take greater control of their health through timely and personalised prevention and treatment programmes.

Through our understanding of the demographics in each market and using our network, we can deploy new technology in precision medicine in countries where it is most needed, which we believe gives us leverage for the next stage of growth.

We will continue to look at new markets to penetrate and to enlarge our network within our existing markets. Currently on our radar are medical clinics/centres and healthcare systems in populous destinations such as Vietnam, Thailand, Myanmar, the Philippines and Indonesia.

With this in mind, on 31 January 2019, the Group announced its plans to raise S$11.0 million through the issuance of convertible bonds due 2022 to corporate and private investors to finance our acquisitions and business opportunities. Our Non-Executive Non-Independent Chairman, Johnson Chen, myself and some members of our management team have committed funds to participate in this exercise as a sign of our commitment and confidence in the prospects of Clearbridge.

We will be using our newly fortified war chest to complete our proposed investment in Indo Genesis, announced in August 2018. This acquisition will be a significant milestone for us as it paves the way for Clearbridge to operate diagnostics laboratories in public hospitals throughout Indonesia and we believe it will also tip the scale for us moving towards positive EBITDA growth.

We will use the remaining funds raised from the issue of convertible bonds for suitable mergers and acquisitions, joint ventures, strategic collaborations and/or investments as well as general working capital purposes.

While we can grow more aggressively, we have remained deliberately prudent in our expansion to ensure that each acquisition is in line with our key investment objective. To that end, we require every entity we acquire to be EBITDA-positive. This ensures that each acquisition is immediately able to contribute to the Group's financial performance, thus creating a sustainable platform for future growth. We believe this prudent approach will serve us well as we continue to be a disruptive force in our industry.

MARKET REVIEW

In the Philippines, the Group's financial performance has improved significantly since the acquisition of the integrated ambulatory Medical Center in Quezon City. Following its strategic rebranding from Marzan Health Care Diagnostic Centre to CMC, the facility is on track to implement concrete plans to start its multi-speciality outpatient clinics. Besides the established aesthetics clinic in the Philippines, the Group has also identified two other clinic locations in Metropolitan Manila and Cebu, Lapulapu City which are undergoing renovation works.

In Indonesia, besides the earlier discussed proposed acquisition of Indo Genesis, Clearbridge's other subsidiary PT TMJ, is now offering renal care services in 21 hospitals in Indonesia as at January 2019 as compared to 15 hospitals when the Group acquired it in April 2018. We have on hand a total of 34 hospital contracts.

CEO'S MESSAGE

Our rapid expansion in Indonesia is also a clear indication of why this market is particularly crucial for us. With its population of 250 million and a comprehensive national health insurance system Badan Penyelenggara Jaminan Sosial that covers laboratory services, this can potentially become one of the key launchpads for our laboratory developed tests such as diabetes.

Elsewhere in the region, the Group operates two clinics in Singapore and one in Hong Kong, which has been delivering satisfactory growth. In Malaysia, we recently started operations with the opening of a paediatric clinic in Plaza Arkadia within Desa ParkCity, Kuala Lumpur, which serves the Desa ParkCity community. This clinic which is newly formed has collaborations with 12 other GP clinics and six pharmacies to date. With that, we aim to continue expanding our clinics and centres across Asia that will enable us to unlock economies of scale across our medical ecosystem.

Moving on to our laboratory testing services arm SAM Lab, Clearbridge offers a comprehensive suite of clinical diagnostic tests augmented by collaborations with third-parties including local partnership with Singapore General Hospital and other global partners like NanoString, Color, Oneome, MILS, Austin Pathology, ONJCRI and Mediven. We are only able to offer such tests because SAM Lab is a Private Hospitals and Medical Clinics licensed laboratory and is also accredited by CAP. We continue to actively pursue collaborations as it enables us to remain asset light while tapping into the latest advancements in precision medicine.

FUTURE OUTLOOK

Given the vast potential of precision medicine, we believe we are in the right business. Moreover, our first mover advantage will stand us in good stead as we continue to reshape the healthcare industry and redefine how healthcare is delivered.

On that note, we believe FY2019 will be an inflexion point for us as the cumulative effects of our business plan kick in. In addition to the aforementioned growth plans we have since our initial public offering ("**IPO**") in December 2017, we will continue to create value for our shareholders, in the form of monetisation of our assets to reduce our debt to capital ratios in our balance sheet.

In December 2018, we successfully spun off our associated company, Biolidics (formerly Clearbridge BioMedics Pte. Ltd.) via an IPO. The spinoff has also had the effect of creating a leaner and stronger balance sheet for the Group. We will not rule out similar exercises in the future should there be such opportunities.

APPRECIATION

In closing, I would like to thank all our business partners for your unwavering support. I look forward to working hand-in-hand with you for many more years to come. I would also like to thank our shareholders for your patience and confidence in the growth prospects of the Group.

Lastly, I want to thank my fellow Board members and all employees of Clearbridge for your dedication and belief in the work that we are doing and the impact that we are making in bringing precision healthcare to the masses. It has been an exciting and fast-paced journey that looks set to continue.

Jeremy Yee
Executive Director and CEO

OPERATIONS & FINANCIAL **REVIEW**

OPERATIONS REVIEW

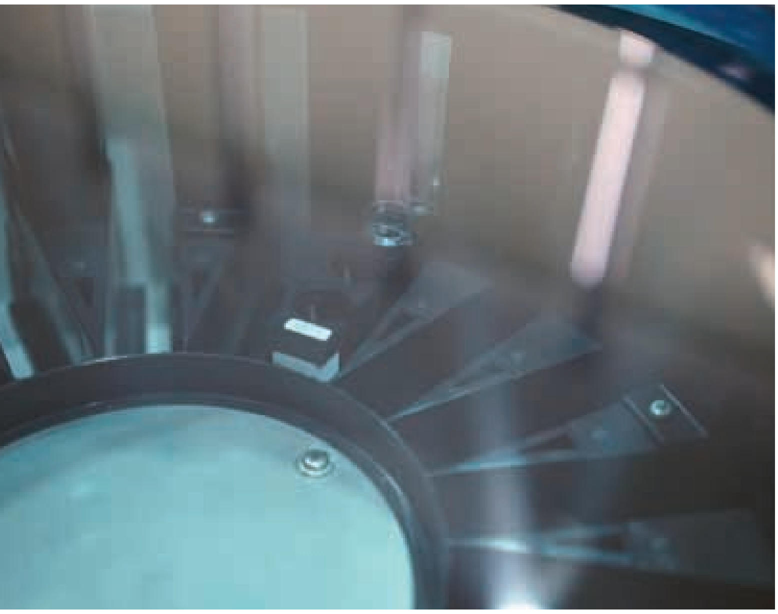
Corporate Developments in FY2018

FY2018 was a year of many achievements for Clearbridge on the operational front, with expansion into new markets, new strategic partnerships and an expanded range of offerings. The Group kicked off the new year with the acquisition of a 65% stake in CBMPI, a Philippine healthcare services provider, for S$1.8 million in January 2018. Marzan Health Care Diagnostic Centre was subsequently rebranded to CMC, with plans to operate multi-speciality outpatient clinics.

In the same month, the Group entered into a 2-year business collaboration with MILS for the exclusive distribution of MILS's diagnostic tests in 11 countries, namely Singapore, India, Indonesia, Malaysia, the Philippines, Korea, Taiwan, Thailand, Vietnam, Australia and Hong Kong.

April was a busy month for the Group with two strategic acquisitions in new markets and two additional partnerships. The Group strengthened its foothold in its home market of Singapore with the acquisition of a 85% stake in Medic Surgical Private Limited ("**MSPL**") and Medic Laser Private Limited ("**MLPL**") for an aggregate consideration of S$5.5 million. Collectively, they operate Medic Surgery and Laser Clinic ("**MSLC**") in Tanjong Pagar.

In the same month, the Group acquired a controlling stake in PT TMJ, an operator of renal dialysis facilities located within hospitals, for an aggregate consideration of S$5.5 million. PT TMJ provides renal care services through joint operation agreements with medical device equipment manufacturers and hospitals. PT TMJ now offers renal dialysis services in 21 hospitals in Indonesia as at January 2019 as compared to 15 hospitals when the Group acquired



it in April 2018. We have on hand a total of 34 hospital contracts. The acquisition marks the Group's inaugural foray into the Indonesian healthcare sector and is a key element of Clearbridge's strategy of expanding into highly dense populous countries to introduce new products and services to increase economies of scope.

Also in April, in line with the Group's focus on best-in-class technologies and medical offerings through third-party collaborations, Clearbridge partnered with A*STAR's Genome Institute of Singapore to offer the Prosigna Breast Cancer Prognostic Gene Signature Assay, a genomic analysis procedure, to better help doctors diagnose the risk of cancer relapse, to patients in Singapore. The Group is also the first and exclusive provider of the assay in Malaysia, Indonesia, and the Philippines.

Clearbridge ended off the month of April with the renewal of its collaboration with ONJCRI for the Epidermal Growth Factor Receptor gene mutation analysis testing services, which utilises plasma DNA from patient blood specimens. The collaboration is in line with the Group's strategy to augment its offerings within its laboratory testing services through partnerships with third-party clinical and technology partners.

In June 2018, the Group entered into a collaboration with Australia-based health information company, Genome.One Pty Ltd, which will enable Clearbridge easy access to clinical-grade quality whole genome sequencing and analysis that will guide personal health management with genetic counselling in a comprehensive programme.

OPERATIONS & FINANCIAL **REVIEW**

In July 2018, Clearbridge entered into an exclusive partnership with Hunan Agen Medicine Laboratory Technology Co., Ltd ("**Agen Lab**"), to commercialise the clinical application of CTC. Agen Lab is a provider of multidisciplinary diagnostics and advanced medical equipment such as Next Generation Sequencing.

The Group kept up the rapid pace of growth in August 2018 with a non-binding MOU for a proposed investment in Indo Genesis for approximately S$3.8 million. When completed, the acquisition will allow the Group to become one of the largest and dominant clinical laboratory operators in Indonesia via 13 potential joint operations contracts to operate diagnostics laboratories in public hospitals.

In October 2018, CBBP, a subsidiary of Clearbridge, entered into a sub-license agreement with Scopio, a developer of next-generation digital microscopes and image analysis tools, which will allow Scopio to access the FPM patent estate from Caltech.

Ending off the year, the Group spun off its associated company, Biolidics, in a listing on the SGX Catalist in December 2018.

The Group launched a paediatric clinic at the beginning of 2019 in Kuala Lumpur, Malaysia, located in Plaza Arkadia within Desa ParkCity, a township comprising mainly of affluent middle class and new families. With this latest addition, Clearbridge today has an expanded regional footprint and a network of six clinics across Singapore, Malaysia, Hong Kong and the Philippines, alongside an expanded range of medical and laboratory services.

FINANCIAL REVIEW

Revenue

For the FY2018, the Group reported revenue of S$6.14 million, an exponential growth of more than 20 times compared to revenue of S$0.29 million in FY2017. The improved performance was underpinned by contributions from the Group's medical clinics/ centres, which were acquired by the Group and had commenced operations following its IPO in December 2017. Together these clinics/centres generated a combined revenue of S$2.93 million, including S$1.20 million from the Philippines, S$1.27 million from Singapore and S$0.46 million from Hong Kong. In addition, the provision of laboratory testing services and renal care services also garnered the Group S$3.20 million in revenue in FY2018.

Purchases

The Group's purchases increased to S$3.25 million from S$0.24 million in FY2017. These comprised mainly expenses incurred by in-house laboratory testing facilities or outsourced third-party clinical laboratories, as well as consumables and medicines used by the medical clinics/centres.

Operating Expenses

Employee benefits expense more than doubled from S$3.50 million in FY2017 to S$7.42 million in FY2018 mainly due to additional headcount at the Group's newly acquired medical clinics/centres in the Philippines, Singapore and PT TMJ in Indonesia, share-based payment to an employee of the Group amounting to S$1.21 million and an increase in the number of employees and management personnel to support the expansion of the Group's business.

OPERATIONS & FINANCIAL **REVIEW**

There was an increase in depreciation expense to S$1.02 million from S$0.09 million a year ago mainly due to the depreciation expense recorded by the entities acquired by the Group subsequent to July 2017, namely SAM Lab, CBMPI, MLPL, MSPL and PT TMJ.

Other operating expenses increased by S$0.89 million, from S$4.91 million in FY2017 to S$5.80 million in FY2018. This was mainly due to an increase in legal and professional fees of S$1.22 million incurred pursuant to business acquisitions and collaborations, the establishment of a multicurrency debt issuance programme and loan financing of the Group, as well as an increase of S$0.87 million in other expenses incurred in connection with the expansion of the Group's business such as travelling and other administrative expenses.

The increase was also due to the increase in rental expenses of S$0.32 million resulting from the Group's acquisition of SAM Lab, CBMPI, MSPL and PT TMJ, and fair value adjustment on contingent consideration payable of S$0.19 million in respect of the Group's acquisition of CBMPI, MLPL and MSPL. The increase in other operating expenses was partially offset by a decrease in the IPO-related expenses of S$1.71 million incurred by the Group in FY2017.

The Group's finance costs comprise mainly interest accrued on the call options granted by Spring Seeds Capital to the Group, in respect of Spring Seeds Capital's ("**Spring Seeds Capital**") investments in CBBP, as well as interest accrued on bank borrowings and finance lease. In FY2018, the Group's finance costs increased by S$0.08 million to S$0.33 million from S$0.25 million in FY2017.

Non-recurring Expenses

Of the S$5.80 million in other operating expenses, S$2.26 million was non-recurring in nature as they comprised professional fees and other miscellaneous expenses of S$1.41 million incurred due to business acquisitions and collaborations, expenses associated with the establishment of a multicurrency debt issuance programme and loan financing of the Group. In addition, the Group incurred consultancy fees and other administrative expenses of S$0.85 million for research and development activities which were streamlined.

Fair Value Gains and Losses

In FY2018, the Group recorded a higher fair value loss on associates of S$4.02 million as compared to S$1.82 million in FY2017. This was due to a S$5.37 million decrease in the fair value of Biolidics (formerly Clearbridge BioMedics Pte. Ltd.), an associated company of the Group, prior to its IPO in December 2018 which was derived from its indicative valuation from the fundraising exercise completed in July 2018. The decrease was subsequently offset by an increase in valuation amounting to S$1.35 million following its IPO in December 2018.

The Group's fair value loss on other investments increased by S$1.14 million, from S$0.30 million in FY2017 to S$1.44 million in FY2018, mainly due to the decrease in fair value of the Group's convertible loan to Biolidics ("**Biolidics Convertible Loan**"), which was converted into ordinary shares of Biolidics upon completion of its fundraising exercise.

Fair value loss on derivative financial instruments mainly relates to changes in the fair value of call options granted by Spring Seeds Capital to the Group for the acquisition of Spring Seeds Capital's interests in Biolidics (the "**Biolidics Call Option**") and Singapore Institute of Advanced Medicine Holdings Pte. Ltd. (the "**SIAMH Call Option**").

In FY2018, the Group's fair value loss on derivative financial instruments increased by S$1.91 million, from S$0.21 million in FY2017 to S$2.12 million in FY2018 due to a S$2.41 million decrease in the fair value of the Biolidics Call Option, which was offset by an increase in the fair value of the SIAMH Call Option amounting to S$0.29 million. The respective fair values were arrived at based on an option pricing model which took into account, among others, the fair value of Biolidics and SIAMH as well as volatilities in the valuation of comparable companies.

Loss for the Year

The Group recorded an income tax expense of S$0.16 million in FY2018, compared to an income tax credit of S$2.98 million in FY2017. The income tax credit recognised in FY2017 was mainly attributable to the reversal of deferred tax expense as a result of fair value loss on other investments, associates and derivative financial instruments recognised by the Group.

As a result of the aforementioned factors, the Group recorded a loss of S$18.89 million in FY2018 compared to S$7.93 million in FY2017.

Excluding the non-recurring operating expenses and fair value changes in other investments, associates and derivative financial instruments, the Group would have recorded a pre-tax loss of S$8.89 million in FY2018, while adjusted EBITDAR loss would have been S$6.13 million.

OPERATIONS & FINANCIAL **REVIEW**

REVIEW OF FINANCIAL POSITION

Non-current Assets

The Group's non-current assets increased by 33.0% or S$11.92 million, from S$36.15 million as at 31 December 2017 to S$48.07 million as at 31 December 2018.

This was mainly due to an increase in goodwill of S$11.29 million, an increase in property, plant and equipment of S$4.03 million from the Group's acquisition of CBMPI, MLPL, MSPL and PT TMJ, as well as an increase in other investments of S$0.38 million resulting from a fair value gain on equity investment in SIAMH. The increase was partially offset by a decrease in investments in associates and derivative financial instruments of S$3.94 million.

Following the completion of the IPO of Biolidics on 19 December 2018, the Group's shareholding interest (direct and indirect) in Biolidics decreased from 40.01% to 35.47%. This comprised a direct interest of 24.80% which is recognised as investments in associates and indirect interest of 10.67% via the Biolidics Call Option which is recognised as derivative financial instruments. As at 31 December 2018, the investments in associates and derivative financial instruments in respect of Biolidics amounted to S$13.23 million and S$2.93 million, respectively.

Current Assets

The Group's current assets decreased by 55.0% or S$17.94 million, to S$14.70 million as at 31 December 2018 from S$32.64 million a year ago, largely on the back of lower cash and bank balances.

Cash and bank balances decreased by 71.2% or S$19.74 million, to S$8.01 million as at 31 December 2018. This was due to consideration paid for the acquisition of CBMPI, MLPL, MSPL, PT TMJ, purchase of property, plant and equipment, a third-party loan to Indo Genesis, and cash outflows incurred in the course of the Group's operations.

There was also a decrease in other investment due to the conversion of the Biolidics Convertible Loan into Biolidics ordinary shares and its subsequent reclassification as non-current assets. The decrease was partially offset by an increase in trade receivables of S$1.98 million and inventories of S$0.35 million from the aforementioned acquisitions and an increase in other receivables of S$3.01 million mainly from the third-party loan extended to Indo Genesis.

Current Liabilities

The Group's current liabilities increased by 60.9% or S$3.49 million, from S$5.73 million as at 31 December 2017 to S$9.22 million as at 31 December 2018.

This was mainly due to an increase in trade payables of S$0.82 million, an increase in other payables of S$1.53 million for the current portion of contingent consideration payable for the acquisition of CBMPI, MSPL, MLPL and PT TMJ, an increase in deferred revenue of S$0.47 million arising from the acquisition of MLPL, and an increase in borrowings of S$0.46 million.

Non-current Liabilities

The Group's non-current liabilities increased by 75.7% or S$2.59 million to S$6.01 million as at 31 December 2018 from S$3.42 million as at 31 December 2017. This was mainly due to an increase in other payables for the contingent consideration payable for the aforementioned business acquisitions and borrowings secured by the Group.

REVIEW OF CASH FLOW STATEMENT

The net cash used in operating activities for FY2018 amounted to S$10.23 million. Cash outflow before changes in working capital amounted to S$8.47 million. Net cash used in the working capital was S$1.78 million, mainly due to increase in inventories of S$0.16 million, an increase in trade receivables of S$$0.91 million, a decrease in other payables of S$1.32 million, and was partially offset by a decrease in prepayment and other receivables of S$0.18 million and an increase in trade payables of S$0.45 million.

Net cash used in investing activities for FY2018 amounted to S$10.25 million. This was mainly due to the net consideration paid for the acquisition of CBMPI, MLPL, MSPL and PT TMJ of S$5.82 million, the S$2.82 million loan extended to Indo Genesis and the S$1.68 million capital expenditure incurred for the expansion of medical clinics/centres in the Philippines and laboratory services in Indonesia.

Net cash generated from financing activities for FY2018 amounted to S$0.71 million which was attributable to bank borrowings amounting to S$1.10 million secured by the Group. This increase was partially offset by the repayment of a bank loan of S$0.16 million and placement of S$0.24 million restricted deposits for the Group's bank loan.

As a result, after adjusting for the effects of foreign exchange rate changes, there was a net decrease in cash and cash equivalents of S$19.97 million, from S$27.74 million as at 31 December 2017 to S$7.77 million as at 31 December 2018.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chen Johnson
Non-Executive Non-Independent Chairman

Yee Pinh Jeremy
Executive Director and CEO

Andrew John Lord
Lead Independent Director

Mark Benedict Ryan
Independent Director

Tan Soon Liang (Chen Shunliang)
Independent Director

Mah How Soon (Ma Haoshun)
Independent Director

AUDIT COMMITTEE

Mark Benedict Ryan (Chairman)
Andrew John Lord
Tan Soon Liang (Chen Shunliang)
Mah How Soon (Ma Haoshun)

NOMINATING COMMITTEE

Tan Soon Liang (Chen Shunliang) (Chairman)
Yee Pinh Jeremy
Andrew John Lord

REMUNERATION COMMITTEE

Andrew John Lord (Chairman)
Chen Johnson
Mark Benedict Ryan
Mah How Soon (Ma Haoshun)

COMPANY SECRETARY

Selena Leong Siew Tee, ACIS

REGISTERED OFFICE

37 Jalan Pemimpin
#08-05 Mapex
Singapore 577177

SPONSOR

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road
#02-00
Singapore 068898

AUDITOR

Ernst & Young LLP
One Raffles Quay
Level 18 North Tower
Singapore 048583
Partner-in-charge: Tan Swee Ho
(since financial year ended 31 December 2017)
(Member of the Institute of Singapore Chartered Accountants)

INVESTOR RELATIONS

August Consulting Pte. Ltd.
101 Thomson Road
#30-02 United Square
Singapore 307591

BOARD OF DIRECTORS

CHEN JOHNSON

Non-Executive Non-Independent Chairman
Date of First Appointment | 20 April 2017
Date of Re-Appointment | 27 April 2018
Member | Remuneration Committee

Johnson is the Founder of Clearbridge and was appointed as Non-Executive Non-Independent Chairman in April 2017. Since 2002, he has been the Executive Director of 1Bridge Partners Limited, where he oversees investment management. Johnson is also the Chairman, Executive Director and CEO of CapBridge Pte. Ltd. ("**CapBridge**"), a global private capital raising platform supported by the SGX-ST and regulated by the Monetary Authority of Singapore. At CapBridge, he is responsible for overall strategic planning and business execution. From 1999 to 2002, Johnson was the President of CyberWorks Ventures, the venture capital arm of Hong Kong-based information communications technology company Pacific Century Cyberworks.

He is also the Non-Executive Non-Independent Director of Biolidics (formerly known as Clearbridge BioMedics Pte. Ltd.), a company listed on Catalist. Johnson sits on the Singapore National Research Foundation Proof-of-Concept grant panel and is a member of the Strategic Research Innovation Fund committee of NTUitive, Nanyang Technological University's innovation and enterprise company. As the top graduate in the Singapore Armed Forces officer cadet course during National Service, Johnson was awarded the Sword of Honour by the President of Singapore.

Present directorships in other listed companies:
- Biolidics Limited (SGX-ST)

Past directorships in other listed companies: None

Academic/Professional Qualification(s)
- Bachelor of Arts (Honours) (Manufacturing Engineering Tripos), University of Cambridge, United Kingdom ("**UK**")
- Master of Manufacturing Engineering, University of Cambridge, UK

YEE PINH JEREMY

Executive Director and CEO
Date of First Appointment | 15 May 2017
Member | Nominating Committee

Jeremy is the Executive Director and CEO of the Company. Prior to this, from 2011 to 2016, he was the CEO of Cordlife Group Limited, a company listed on the SGX-ST, where he was responsible for identifying and implementing company-wide business growth strategies. From 2002 to 2011, he was the Director of Corporate Development then Chief Operating Officer and subsequently, Executive Director and Group Chief Financial Officer of Cordlife Limited (now known as Life Corporation Limited), a company listed on the Australian Securities Exchange ("**ASX**"). During his tenure, he was responsible for the group's overall corporate development activities and financial functions, including statutory filings, accounting audits, finance controls and treasury matters. Jeremy spent the early part of his career in the banking and finance industry.

Present directorships in other listed companies:
- Biolidics Limited (SGX-ST)

Past directorships in other listed companies:
- Cordlife Group Limited (SGX-ST)
- Cordlife Limited (now known as Life Corporation Limited) (ASX)

Academic/Professional Qualification(s)
- Bachelor of Arts (Economic and Social Studies), Victoria University of Manchester, UK
- Bachelor of Commerce (Professional Accounting), Murdoch University, Australia
- Master of Commerce (Finance with Banking/Management), University of Sydney, Australia
- Master of Business Administration, Nanyang Technological University, Singapore
- Master of Business Administration, University of Chicago Booth School of Business, United States of America ("**US**")
- Master of Arts, Columbia University, US
- Nanyang Advanced Management Programme, University of California, Berkeley, US
- EIT Health Advanced Management Programme on Health Innovation 2018

BOARD OF **DIRECTORS**

ANDREW JOHN LORD

Lead Independent Director
Date of First Appointment | 20 November 2017
Date of Re-Election | 27 April 2018
Chairman | Remuneration Committee
Member | Nominating Committee and Audit Committee

Andrew is the Lead Independent Director of the Company. He began his career as a solicitor in the general commercial and property as well as the banking and finance practices. Andrew ran his own firm, Campbell Lord Commercial Lawyers, between 1999 to 2006 and later founded Lovegrove and Lord Commercial and Construction Lawyers in 2006, where he served as a Director specialising in joint ventures, venture capital funding, property financing, business acquisitions, corporate governance, capital markets equity fundraising, and compliance matters related to the ASX and the Australian Securities and Investments Commission. Since 2010, he has been a Director at Lord Commercial Lawyers.

Present and past directorships in other listed companies: None

Academic/Professional Qualification(s)
- Bachelor of Science, Monash University, Australia
- Bachelor of Laws, Monash University, Australia
- Member of the Law Institute of Victoria, Australia

MARK BENEDICT RYAN

Independent Director
Date of First Appointment | 20 November 2017
Date of Re-Election | 27 April 2018
Chairman | Audit Committee
Member | Remuneration Committee

Mark is an Independent Director of the Company. He is presently a Director of Cytomatrix Pty Ltd, a privately held company involved in Short Polymer Fibre research. From 1996 to 2018, he was the Non-Executive Director and Company Secretary of KBR E&C Australia Pty. Ltd, an engineering and construction company. From 1994 to 1996, he was the Financial Controller at CAPE PLC (formerly ASX-listed PCH Group Limited), where he was responsible for all financial management and reporting functions. He was a Senior Accountant at Schroder Ventures from 1993 to 1994 where he specialised in management accounting for offshore investment trusts including the preparation of statutory financial statements. Prior to this, he was a Corporate Tax Advisory Supervisor at PricewaterhouseCoopers Australia from 1988 to 1993 where he provided tax consulting and corporate tax compliance advisory services.

Present directorships in other listed companies: None

Past directorships in other listed companies:
- Cordlife Limited (now known as Life Corporation Limited) (ASX)

Academic/Professional Qualification(s)
- Bachelor of Commerce, University of Western Australia, Australia
- Associate of Chartered Accountants, Australia and New Zealand

BOARD OF DIRECTORS

TAN SOON LIANG (CHEN SHUNLIANG)

Independent Director
Date of First Appointment | 20 November 2017
Date of Re-Election | 27 April 2018
Chairman | Nominating Committee
Member | Audit Committee

Soon Liang is an Independent Director of the Company. He is currently the Founder and Managing Director of Ti Ventures Pte. Ltd., which invests in growing businesses and partnering business owners through leading its corporate development, business transformation and mergers and acquisitions functions. He is also the Managing Director of Omnibridge Capital Pte. Ltd., which focuses on early-stage angel and venture capital investments in start-ups and fast-growing companies in Asia. Between 2006 and 2010, Soon Liang was Head of Business Advisory and later, an Advisor at BDO Raffles Advisory Pte Ltd. He was responsible for corporate advisory work for Asian family businesses and corporations, including business transformation advisory work. Early in his career, he held various positions in companies within the financial industry.

Present directorships in other listed companies:
- Choo Chiang Holdings Limited (SGX-ST)
- Wong Fong Industries Limited (SGX-ST)
- ISDN Holdings Limited (SGX-ST and SEHK)

Past directorships in other listed companies:
- Jubilee Industries Holdings Ltd (SGX-ST)

Academic/Professional Qualification(s)
- Bachelor of Business (Honours) (Financial Analysis), Nanyang Technological University, Singapore
- Master of Business Administration, University of Hull, UK
- CFA® charterholder, CFA Institute, US
- Member of the Singapore Institute of Directors

MAH HOW SOON (MA HAOSHUN)

Independent Director
Date of First Appointment | 23 March 2018
Date of Re-Election | 27 April 2018
Member | Audit Committee and Remuneration Committee

How Soon is an Independent Director of the Company. He is presently the Managing Director of RHT Capital Pte. Ltd.. He has many years of transactional and management experience in corporate finance in international and local financial institutions, and boutique advisory firms. How Soon has played a key role in advising companies from many industries and countries on a wide range of transactions relating to both equity capital markets, and mergers and acquisitions.

Present directorships in other listed companies:
- Katrina Group Ltd. (SGX-ST)
- 800 Super Holdings Limited (SGX-ST)

Past directorships in other listed companies: None

Academic/Professional Qualification(s)
- Bachelor of Accountancy (Honours), Nanyang Business School, Singapore
- Master of Business Administration, University of Chicago Booth School of Business, US
- Chartered Accountant, Institute of Singapore Chartered Accountants, Singapore
- CFA® charterholder, CFA Institute, US

EXECUTIVE OFFICERS

SIMON HOO KIA WEI

Chief Business Officer

Simon joined the Group as Chief Business Officer in April 2017 and assists the Executive Director and CEO in strategic planning and implementation, evaluation and monitoring of business strategies and business units of its subsidiaries in the Asia Pacific region.

Prior to joining the Group, Simon was the Chief Business Officer of CBMG. He was the CEO of Life Corporation Limited (formerly known as Cordlife Limited), a company listed on the ASX, from 2014 to 2016 where he led the restructuring of the group's businesses in India, Philippines and Indonesia and the re-listing of the group's new business on the ASX. From 2004 to 2014, he was the Business Development Director of Cordlife Services (S) Pte. Ltd. (now known as Life Corporation Services (S) Pte. Ltd.) and was involved in the set up and initial business operations of the group in Hong Kong, Indonesia and the Philippines, and spearheaded its business operations in India from 2008. He started his career in 2001 as an auditor with KPMG Singapore.

Academic/Professional Qualification(s)

- Bachelor of Accountancy, Nanyang Technological University, Singapore
- Master of Business Administration, University of Manchester, UK
- Chartered Accountant, Institute of Singapore Chartered Accountants
- Certified Public Accountant, CPA Australia

LIAU YEN SAN, JONATHAN

Chief Commercial Officer

Jonathan joined the Group as Chief Commercial Officer in August 2017 and is responsible for overseeing the commercial strategy and development of the Group.

He was previously Vice President (Investments) at EDBI Pte. Ltd., the corporate investment arm of the Singapore Economic Development Board, from 2016 to 2017 where he led investments in biomedical sciences and oversaw portfolio management in the medical technology and biopharmaceutical fields. Between 2013 and 2016, he was the Senior Director of Corporate Development at Cordlife Group Limited, a company listed on the SGX-ST. He was responsible for corporate development, new products and general management at several of the group's subsidiaries. He was with Cordlife Services (S) Pte. Ltd. (now known as Life Corporation Services (S) Pte. Ltd.) from 2004 to 2013. His last held position was Chief Operating Officer and he was responsible for the overall operations of the company.

Academic/Professional Qualification(s)

- Master of Biochemical Engineering (Bioprocess Management), University College London, UK
- Master of Business Administration, University of Chicago Booth School of Business, US

FEXLICIA LEE PEI YUE

Financial Controller

Fexlicia was appointed as the Group's Financial Controller in April 2017 and is responsible for overseeing the financial strategy and management, taxation, regulatory and financial reporting, as well as the development of internal control policies and procedures of the Group.

Prior to this, she was the Financial Controller of CBMG from 2016 to 2017 where she took on similar responsibilities. From 2012 to 2016, Fexlicia was the Senior Group Finance Manager and subsequently, Financial Controller of Cordlife Services (S) Pte. Ltd. (now known as Life Corporation Services (S) Pte. Ltd. and a subsidiary of ASX-listed Life Corporation Limited) where she was involved in all aspects of the company's finance and accounting functions, including financial planning, management reporting, budgeting, corporate restructuring, and ensuring compliance with the reporting and filing requirements of the ASX for Life Corporation Limited (being the holding company of Life Corporation Services (S) Pte. Ltd.)

From 2008 to 2012, she was with KPMG Singapore. Her last held position was Audit Assistant Manager, responsible for financial and compliance audits for non-profit organisations as well as clients in industries such as manufacturing, construction and healthcare. She started her career with SKW Associates in Malaysia in 2006, where her last held position was Audit Associate, responsible for assisting in financial and compliance audits for clients in industries such as trading, manufacturing and transportation.

Academic/Professional Qualification(s)

- Bachelor of Business, University of Technology, Sydney, Australia

SUSTAINABILITY REPORT

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SUSTAINABILITY REPORT

BOARD STATEMENT

The Board of Clearbridge is pleased to present our inaugural sustainability report for FY2018.

Clearbridge is an integrated healthcare group that focuses on the delivery of precision medicine with businesses comprising healthcare systems, medical clinics/centres and strategic investments in medical technology companies in more than seven countries around the world. The Company is listed on the Catalist Board of the SGX-ST.

The Board recognises the importance of sustainability and considers ESG issues in decision-making, while focusing on areas which are most relevant to our business. As a company that provides medical services, specifically precision medicine, there are numerous sustainability related concerns that we must address on a daily basis. The most important of these include measures that we have in place to protect the health and safety of both our employees and the users of our products. We are in possession of sensitive customer data and so handling this data in a responsible manner is critical. Our compliance with the many regulations we are subject to is also vital for allowing us to continue to operate and maintain that all-important trust with our stakeholders.

Over the last year, we have formalised our sustainability approach by conducting our first materiality assessment and developed performance indicators and targets that will guide our sustainability efforts. These efforts have resulted in positive outcomes in terms of our performance during the year. For example, there were zero incidents of non-compliance with the laws and regulations from the Ministry of Health ("**MOH**") and National Environment Agency ("**NEA**") and there were no incidents of breaches of customer data. Additionally, our employees did not suffer any workplace injuries during the year.

This report is prepared in accordance with Rule 711B of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**") and with reference to the GRI Standards. This report serves as a platform for Clearbridge to formally communicate our sustainability approach on our practices, performance and targets in relation to our sustainability efforts for FY2018 with our stakeholders.

Board of Directors
Clearbridge Health Limited

SUSTAINABILITY **REPORT**

ABOUT THIS REPORT

This report marks Clearbridge's first sustainability report.

The scope of this report focuses on the Company's key business activities in Singapore, our pioneering SAM Lab testing services and our medical clinics/centres. This report encapsulates Clearbridge's sustainability policies, practices, performances and targets for FY2018.

This report is prepared in accordance with the requirements of Practice Note 7F: "Sustainability Reporting Guide" of the Catalist Rules. This report also makes reference to the GRI Standards. The GRI Standards were chosen because they are one of the most commonly used framework, and therefore, familiar to our readers and a "with reference to" option was chosen as it provides more flexibility for the Company to select specific disclosures which are relevant to our business. This report references the following topic-specific disclosures:

- Disclosure 102-8 a. and c. from GRI 102: General Disclosure 2016
- Disclosure 201-1 a. from GRI 201: Economic Performance 2016
- Disclosure 205-3 a. from GRI 205: Anti-corruption 2016
- Disclosure 307-1 b. from GRI 307: Environmental Compliance 2016
- Disclosure 403-9 a. from GRI 403: Occupational Health and Safety 2018
- Disclosure 416-2 b. from GRI 416: Customer Health and Safety 2016
- Disclosure 418-1 c. from GRI 418: Customer Privacy 2016
- Disclosure 419-1 b. from GRI 419: Socioeconomic Compliance 2016

Clearbridge strives to continuously refine our sustainability strategy and practices. We greatly welcome your feedback and comments regarding this report. You can reach us at https://www.clearbridgehealth.com/contact-us/.

2018 SUSTAINABILITY HIGHLIGHTS

Material Factor	Performance for FY2018	Target for FY2019
Economic		
Economic Performance	Clearbridge's financial performance can be found in Clearbridge's annual report 2018	
Environment		
Managing Medical Waste	No incidents of non-compliance with relevant laws and regulations from MOH and NEA	Maintain zero incidents of non-compliance with relevant laws and regulations from MOH and NEA
Social		
Occupational Health and Safety	No workplace fatalities	Continue to have no incidents for work-related fatalities
	Accident frequency rate ("**AFR**") of zero	Continue to maintain AFR of zero
Quality of Care and Customer Health and Safety	No incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impact of products and services	Continue our performance of compliance with guidelines and regulations revolving around health and safety impact of our products and services
Customer Privacy	Zero known cases of identified leaks, thefts, or losses of customer data	Maintain zero known cases concerning losses of customer data
Governance		
Compliance with Laws and Regulations	Zero confirmed incidents of corruption	Maintain zero confirmed incidents of corruption
	Zero incidents of non-compliance with relevant laws and regulations	Maintain zero incidents of non-compliance with relevant laws and regulations

SUSTAINABILITY **REPORT**

MATERIALITY ASSESSMENT

To identify ESG aspects important to our business and key stakeholders, Clearbridge conducted a materiality assessment workshop.

With the facilitation of an external consultant, we considered trends and current themes and areas of concern in the healthcare industry. Through identification of peers' as well as sustainability trends in Singapore as well as globally, we shortlisted and identified six material factors. These factors were deemed material to Clearbridge as they play an important role in the Company's business operations.

The following table depicts our material factors for FY2018.

Sustainability Categories	Material Factors	Detailed Information
Economic	• Economic Performance	• Financial Review, page 11 • Financial Statements, pages 52 to 132 • Sustainability Report, page 24
Environment	• Managing Medical Waste	• Sustainability Report, page 24
Social	• Occupational Health and Safety	• Sustainability Report, page 24
	• Quality of Care and Customer Health and Safety	• Sustainability Report, page 26
	• Customer Privacy	• Sustainability Report, page 27
Governance	• Compliance with Laws and Regulations	• Sustainability Report, page 27 • Corporate Governance Report, pages 30 to 51

STAKEHOLDER ENGAGEMENT

Clearbridge recognises that communicating with our stakeholders allows us to further develop and refine our business strategies and respond quickly and effectively to their concerns and needs. Stakeholder engagement is carried out through various communication channels and methods.

Stakeholder Group	Frequency	Key Topics and Concerns	Engagement Methods
Customers	When applicable	• Affordability of healthcare • Customer privacy • Quality of service	• Contact form on company website • Helplines for medical and facility enquiries
Employees	Throughout the year	• Training and development of employees • Recruitment and retention of skilled staff • Well-being of employees	• Annual employee performance reviews • Employee events
Government and Regulators	Throughout the year	• Compliance with laws and regulations • Cyber security threats on customer privacy	• Meetings and consultations • License applications • Active engagement on healthcare legislation
Shareholders	Periodically	• Clearbridge's financial performance • Operational strategy • Shareholders' returns	• Annual general meeting • Announcements on the Company's website and SGXNET • Annual reports

SUSTAINABILITY **REPORT**

ECONOMIC PERFORMANCE

Positive economic performance is the core of a successful business. Clearbridge aims to achieve sustainable growth in order to enhance our shareholder's returns and provide remuneration and rewards for our employees.

The introduction of long-term sustainability opportunities and recognising risks early helps Clearbridge to achieve sustainable economic growth that contributes to business continuity of the Group. We aim to achieve economies of scale through the expansion of our mass-market offerings and making our services more affordable to our patients, thus reducing economic costs.

For more information regarding our economic performance for FY2018, please refer to pages 52 to 132 of the annual report.

MANAGING MEDICAL WASTE

We strive to reduce our ecological impact through proper waste disposal methods. Biohazards and medical wastes that are not well-managed and disposed in a proper manner can pose health concerns to humans and the environment. It is of utmost importance to us that all biohazards and medical wastes are properly managed by our clinics and laboratory in accordance with laws as administered by NEA.

Clearbridge regards the handling and disposal of medical waste as a professional duty, hence we carry out disposal in an ethical and responsible manner. In both our laboratory and clinics, a licensed waste disposal company is engaged to collect and dispose of biohazardous wastes to mitigate against potential dangers of improper disposal. Our Quality Manual includes our laboratory policy which has been set in place to ensure proper disposal and management of biohazardous and medical wastes.

Our 2018 performance

Due to the various processes and policies that focus on fulfilling our duties as a responsible company, there were no incidents of non-compliance with the laws and regulations of MOH and NEA in FY2018.

For FY2019, Clearbridge aims to continue to maintain zero incidence of non-compliance with medical waste management regulations.

OCCUPATIONAL HEALTH AND SAFETY

As a people-centric business, our ability to thrive and deliver quality patient care is largely dependent on our frontline employees, including the medical professionals and their interaction with the patients and customers. The minimisation of safety-related issues will also translate to a reduction in business disruption.

Clearbridge is committed to providing a safe workplace for all our employees. To ensure good occupational health and safety, policies and practices have been set in place in our laboratory and clinics in accordance with regulations and guidelines laid out by MOH and NEA. Our Corporate Safety and Health Policy abides by the Workplace Safety & Health Act as mandated by the Ministry of Manpower ("**MOM**"). Employees are required to report any hazards, defects or accidents in the workplace to the Human Resources or Line Manager immediately.

OCCUPATIONAL HEALTH AND SAFETY (CONTINUED)

Staff profile

At Clearbridge, we employ people in a range or roles, from medical professionals and laboratory scientists to corporate and support staff. As at 31 December 2018, the breakdown of our workforce for SAM Lab testing services and medical clinics/centres in Singapore are as follows:

Table 1. Total number of employees by employment contract and gender

	Number of permanent employees	Number of temporary employees
Male	3	0
Female	13	1
Total	16	1

SAM Lab

All personnel that work in the laboratory are expected to be knowledgeable about the content of the Quality Manual, Laboratory Procedures Manual/Standard Operating Procedure ("**SOP**") and Guideline for Hand Hygiene in Healthcare Setting. Prior to commencing work, new staff are provided with on-the-job training ("**OJT**") by more experienced staff. During OJT, the new staff will learn the importance of following standard procedures as well as safety precautions. Our Laboratory Procedures Manual documents safety procedures and workflow in the event of fire in the laboratory.

In line with MOM guidelines, all healthcare staff are required to be tested for immunisation against Measles, Mumps, Varicella-Zoster and Rubella. In addition, all staff employed by the laboratory are required to have Hepatitis B vaccination. Clearbridge conducts an annual blood test on our staff to check on the antibody level to determine additional booster or the need for immunisation.

To ensure the safety within the laboratory, only qualified and appropriately trained staff are allowed to operate the equipment and perform the relevant duties.

Medical Clinics

Clinic staff are carefully trained in proper handling of medical equipment, disposal of hazardous clinic wastes, and the occurrence of major events such as infectious diseases and haze. Additionally, our clinic staff undergo health screening. We also ensure that all controlled drugs, such as cough medicine, are properly locked away.

Clearbridge believes in improving our practices where possible, and hence an open channel of communication across all levels is provided to gather feedbacks and comments on safety and health related issues for open discussion. At least one of our staff has knowledge on cardiopulmonary resuscitation ("**CPR**") and is able to perform CPR and manage emergency situations accordingly.

Our 2018 performance

For FY2018, there were no incident of health and safety issues to our employees and no workplace injury or work-related fatalities in our operations.

We aim to continue to have no incident of work-related fatalities, injuries and non-compliance with related laws and regulations in FY2019.

SUSTAINABILITY **REPORT**

QUALITY OF CARE AND CUSTOMER HEALTH AND SAFETY

We are proud that the products and services we provide are changing the lives of the people who use them. The quality of our products and services is high on our business agenda and at the heart of our vision and mission. The safety of these products and services to our end user is a key component of quality. Therefore, in order to safeguard the health and safety of our customers, we ensure compliance with relevant medical laws and regulations. We keep abreast with developments via regular communication with stakeholders, helping us to maintain a high standard of product quality and safety.

Clearbridge seeks to create a conducive environment to help our employees, including doctors and medical specialists, perform at their best and deliver quality care to our patients. Clearbridge has invested in training courses for our employees so as to ensure that they provide the best service to our customers and that they are well equipped for their roles and tasks.

SAM Lab

Clearbridge ensures that standards are maintained by attaining valid MOH license and CAP accreditation. Additionally, lab machines and equipment have scheduled routine checking, servicing and preventive maintenance by external vendors. Certificates of maintenance and service reports are kept for records. Clearbridge outsources maintenance of certain equipment for annual calibration. In addition, all equipment will be checked for general condition and cleanliness daily or at each use.

As a means of ensuring that policies and procedures within the laboratory are relevant and appropriate, SOPs as well as Quality Manual are reviewed by the Quality Manager and approved by the Laboratory Director every year.

Medical Clinics/Centres

We adhere strictly to government regulations such as Private Hospitals and Medical Clinics Act and Singapore Medical Council Ethical Code and Ethical Guidelines. Doctors that work at our clinics are licensed general practitioners by Singapore Medical Council and our clinics are licensed by MOH. Prior to dispensing, doctors will verify that all our medication dispensed are carefully labelled with the instructions for proper consumption and usage.

In order to meet the needs of all personnel, continuing clinical laboratory programmes have been set in place, which are reflected in the Continuing Medical Education hours for the personnel. We encourage our medical staff to update their technical knowledge on a constant basis and pursue opportunities that capitalise on the latest technological advancement in the field.

Competency of staff will also be assessed on an annual basis through the competency assessment programme. Employees that do not meet the standards required will be retrained and reassessed.

Our 2018 performance

In FY2018, there were no incident of non-compliance with regulations and/or voluntary codes concerning the health and safety impact of products and services that resulted in a fine or formal warning. For FY2019, we aim to continue our performance by maintaining a strong framework to ensure compliance with guidelines and regulations revolving around health and safety impact of our products and services.

CUSTOMER PRIVACY

Safeguarding our customers' data is of utmost importance as our customers entrust us with sensitive information. Keeping our customers' classified data safe increases their confidence in us, thus improving customer loyalty.

Clearbridge adheres to and upholds the provisions of the Personal Data Protection Act ("**PDPA**") as we seek to use our patients' data to serve them and their families responsibly. Within the clinics and laboratory, patients' consent is obtained for collection, use and disclosure and processing of personal data for healthcare and related use only. Individuals are notified via forms for collection of personal data, and consent would be obtained prior to the collection. Should a request for transfer of patient data arise, these data are transferred to other referral laboratories or other service providers via email in a password-protected zip file or via any encrypted program or link requested by the client.

Entry to laboratory is restricted to pass-holders and storage area of patient reports and data is only restricted to authorised personnel.

As a means of preventing leakage of private and confidential information, a cloud-based software, Laboratory Information Management System has been implemented. Information and patient data are securely stored and encrypted in compliance to the medical security standard.

Clearbridge will continue to strengthen our internal monitoring efforts by employment of a PDPA officer. This will ensure that our Group's procedures are up to date with the latest regulations.

Our 2018 performance

In FY2018, there were no known complaints concerning breaches of customer privacy and no known cases of identified leaks, thefts or losses of customer data. We aim to continue to maintain zero known incidence concerning breaches of customer privacy and losses of customer data in FY2019.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group is committed to achieving and maintaining high standards of corporate governance principles and processes in managing its business and affairs, so as to improve the performance, accountability, and transparency of the Group, and comply with all the statutory and regulatory requirements. This involves responsible business practices, as well as an accountable and transparent management system in order to prevent non-compliance, misconduct or corrupt business practices.

We have set in place several policies for addressing this material factor, such as the Corporate Gifts Policy and Employee Code of Conduct which can be found in the Employee Handbook, as well as a Whistle-blowing Policy. The Corporate Gifts Policy highlights the prohibition of receiving gifts or be lavishly entertained by clients, business partners or suppliers so as to avoid any misunderstanding that the said gift or entertainment would reap favourable or advantageous rewards for the client, business partner or supplier with respect to dealings with the Group. At the same time, employees are not allowed to provide gifts or any form of entertainment, except for normal seasonal gift-giving or business discussion purposes. On the other hand, the Whistle-blowing Policy provides a channel for employees to report concerns about possible fraud, bribery and other ethics-related matters. Concerns about possible improprieties in matters of financial reporting or other matters are raised to the Company's audit committee in confidence by submitting a whistle-blowing report through the whistle-blowing channels of the Group, immediate supervisors or the admin manager. All employees are required to adhere to the Employee Code of Conduct and to maintain high levels of integrity throughout our operations.

SUSTAINABILITY **REPORT**

COMPLIANCE WITH LAWS AND REGULATIONS (CONTINUED)

Upon joining our Group, all employees are required to complete a conflict of interest declaration and update their declarations on a yearly basis. The Conflict of Interest Policy requires all employees to disclose all interests, which could conflict or appear to conflict, with their duties, in accordance with the Conflict of Interest Policy, and comply with the actions recommended by management to address such issues.

In order to maintain high standards of corporate governance, internal audit on different business functions are carried out throughout the year and a report has to be submitted to the Company's audit committee. Additionally, risk management review is also carried out during the year.

Our legal advisors review contracts for compliance before authorisation and conducts regular screening of changes in applicable laws and regulations. Professional advice will then be sought from our legal advisors with regards to the new updates on rules and regulations in operating environment.

Clearbridge has in place a policy for the Board whereby Directors should refrain from placing themselves in a situation of conflicts of interests to ensure that their duty to act in the best interests of the Group is not compromised. Should any potential conflicts arise or conflicts occur, Directors are required to report this immediately to the Company's audit committee so as to ensure that Directors continually meet the stringent requirements of independence under the Code of Corporate Governance 2012.

In FY2018, two of Clearbridge's independent directors conducted a training session to provide detailed guidance to management and employees on corporate governance principles and processes in managing the Group's business and affairs, particularly on employees' code of conduct, anti-corruption and whistle-blowing policy.

Our 2018 performance

For FY2018, there were no incidents of corruption and non-compliance with environmental and socioeconomic laws and regulations. For FY2019, we aim to maintain zero incidence of corruption and non-compliance and to continue enforcing the practices and procedures in place.

We also aim to maintain our efforts to communicate the importance of anti-corruption through policies and announcements and to update the relevant policies and procedures accordingly to identify and prevent corruption at our workplace.

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CORPORATE **GOVERNANCE REPORT**

The Board of the Company is committed to achieving and maintaining high standards of corporate governance principles and processes in managing its business and affairs, so as to improve the performance, accountability, and transparency of the Group.

For FY2018, the Board has reviewed its corporate governance practices and ensured that they are in compliance with the applicable provisions of the Code of Corporate Governance 2012 (the "**Code**") issued by the Monetary Authority of Singapore.

This corporate governance report sets out how the Company has applied the principles of good corporate governance in a disclosure-based regime where the Board's accountability to the Company's shareholders ("**Shareholders**"), and the Company's management's ("**Management**") accountability to the Board provides a framework for achieving a mutually beneficial tripartite relationship aimed at creating, enhancing and growing sustainable Shareholders value.

The Company has substantially complied with the principles and guidelines as set out in the Code and the Disclosure Guide. Appropriate explanations have been provided in the relevant sections where there are deviations from the Code and/or the Disclosure Guide.

BOARD MATTERS

Principle 1 **The Board's Conduct of Affairs**

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

Role of the Board

The Board comprises:

Chen Johnson	Non-Executive Non-Independent Chairman
Yee Pinh Jeremy	Executive Director and CEO
Andrew John Lord	Lead Independent Director
Mark Benedict Ryan	Independent Director
Tan Soon Liang (Chen Shunliang)	Independent Director
Mah How Soon (Ma Haoshun)	Independent Director

The Board is committed to achieving and maintaining high standards of corporate governance principles and processes in managing its business and affairs, so as to improve the performance, accountability, and transparency of the Group. The Company sets out principles and general guidelines for the Directors who are required to abide by any applicable laws or legislation, including the Catalist Rules and the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"). This set of principles and guidelines covers aspects such as Board composition and balance, Board diversity, tenure, maximum number of directorships, Board member selection, code of conduct for the avoidance of conflicts of interest, and dealing in the shares of the Company.

The Board is entrusted to lead and oversee the Group, with the fundamental principle to objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Group. In addition to its statutory duties, the Board's principal functions are to:

- provide entrepreneurial leadership and set the corporate strategies of the Group. This includes setting the direction and goals for Management;

- establish a framework of prudent and effective controls, which enables risks to be assessed and managed, including safeguarding of Shareholders' interest and the Group's assets;

- supervise, monitor and review Management's performance against the goals set to enhance Shareholders' value;

- identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation;

CORPORATE GOVERNANCE REPORT

- set the Group's values and standards (including ethical standards), and ensure that obligations to Shareholders and other stakeholders are understood and met;
- consider sustainability issues, e.g. environmental and social factors, as part of its strategy formulation process; and
- oversee the overall corporate governance of the Group.

Delegation by the Board

The Board has delegated certain responsibilities to the Audit Committee (the "**AC**"), the Remuneration Committee (the "**RC**") and the Nominating Committee (the "**NC**") (collectively, the "**Board Committees**"). The Board accepts that while these Board Committees have the authority to examine specific issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board. The composition of the Board Committees are as follows:

Composition of the Board Committees

Board Committee Designation	AC	NC	RC
Chairman	• Mark Benedict Ryan	• Tan Soon Liang (Chen Shunliang)	• Andrew John Lord
Members	• Andrew John Lord • Tan Soon Liang (Chen Shunliang) • Mah How Soon (Ma Haoshun)[(1)]	• Yee Pinh Jeremy • Andrew John Lord	• Mark Benedict Ryan • Chen Johnson • Mah How Soon (Ma Haoshun)[(1)]

Note:
(1) Mah How Soon (Ma Haoshun) was appointed as a member of the AC and the RC on 1 March 2019.

Board Meetings and Attendance

In FY2018, the number of meetings held and the attendance of each Board member are as follows:

Board and Board Committee Meetings in FY2018	Board	AC	NC	RC
Number of meetings held	4	4	2	1
Name of Director				
Chen Johnson	4	–	–	1
Yee Pinh Jeremy	4	–	2	–
Mark Benedict Ryan	4	4	–	1
Andrew John Lord	4	4	2	1
Tan Soon Liang (Chen Shunliang)	4	4	2	–
Mah How Soon (Ma Haoshun)[(1)]	3	–	–	–

Note:
(1) Mah How Soon (Ma Haoshun) was appointed as an Independent Director on 23 March 2018.

All Board and Board Committee meetings are scheduled well in advance of each year in consultation with the Directors. To ensure meetings are held regularly with the Directors' maximum participation, the Company's constitution (the "**Constitution**") allows for meetings to be held through telephone and video conference. The Company ensures that telephonic and screen sharing facilities are made available for Directors to attend the meetings.

CORPORATE GOVERNANCE REPORT

Regular meetings are held by the Board to deliberate on the strategic policies of the Group including significant acquisitions and disposals, review and approve annual budgets, review the performance of the business and approve the public release of periodic financial results. The Board will also convene additional meetings for particular matters as and when they are deemed necessary.

While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion which the Board uses to measure Directors' contributions. The Board also takes into account the contributions by Board members in other forms including periodical reviews, provision of guidance and advice on various matters relating to the Group.

The day-to-day operations are entrusted to the Executive Director and CEO who is assisted by an experienced and qualified team of executive officers.

Material Transactions Requiring Board Approval

The Company has in place policies for the approval of, *inter alia*, investments and divestments, related persons transactions and cash management. Such material transactions are specifically reserved for the Board's consideration and approval. The Company has also set out clear directions to Management in relation to such material transactions that are subject to the Board's approval.

In this regard, matters that require the Board's approval include, amongst others, the following:

- overall Group business and budget strategy;
- capital expenditures exceeding certain material limits;
- investments or divestments;
- all capital-related matters including capital issuance;
- significant policies governing the operations of the Company;
- corporate strategic development and restructuring;
- interested person transactions exceeding S$100,000 threshold; and
- risk management strategies.

Board Induction and Training

All newly appointed Directors will undergo an orientation programme where the Directors are briefed on the Group's strategic direction, governance practices, business, and organisation structure as well as the expected duties of a director of a listed company. To enable them to have a better understanding of the Group's business, the Directors will also be given the opportunity to visit the Group's operational facilities and meet with Management, whenever required.

The Board values on-going professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on and contribute to the Board. To this end, the Company encourages continuous professional development for its Directors and the Company funds such trainings. All first-time Directors who have no prior experience as a director of a company listed on the SGX-ST are required to attend the mandatory training as prescribed in the Catalist Rules.

Furthermore, Directors are regularly updated with the latest professional developments in relation to the Catalist Rules and other applicable regulatory updates or amendments to relevant laws, rules, regulations and changing commercial risks as well as accounting standards.

Formal Appointment Letter to Each Director

The Company provides each Director with a formal letter of appointment setting out the Director's duties and obligations.

CORPORATE GOVERNANCE REPORT

Principle 2 **Board Composition and Guidance**

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Independent Directors

Currently, the Board comprises 6 Directors, 4 of whom are independent, which complies with the Code's guideline on the proportion of independent directors on the Board.

Mr. Andrew John Lord has also been appointed as the Lead Independent Director to represent the views of Independent Directors and to facilitate flow of information among Shareholders, the Chairman and the Board. He also makes himself available at all times when Shareholders have concerns and for which normal channels of the Chairman, CEO or financial controller (the "**FC**") have failed to resolve or are inappropriate. The Lead Independent Director makes himself available to Shareholders at the Company's general meetings.

Review of Directors' Independence

The Company has in place a policy for the Board whereby Directors should avoid placing themselves in a situation of conflict of interests with the Group to ensure that their duty to act in the best interests of the Company is not compromised. Directors must immediately report any conflicts of interests that have occurred or may possibly occur as soon as the Director is aware of such potential or actual conflict of interests. This ensures that Directors continually meet the stringent requirements of independence under the Code.

The NC reviews the independence of Independent Directors annually. The Board and the NC take into account the existence of relationships or circumstances, including those identified by the Code, that are relevant in their determination as to whether a Director is independent.

The NC has reviewed and confirmed the independence of Independent Directors in accordance with the Code. The Independent Directors do not have any relationships with the other Directors, the Group, its related corporations, its 10% Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment in the best interests of the Group.

Duration of Independent Directors' Tenure

There is no Independent Director who has served beyond 9 years since the date of his first appointment.

Board Diversity

The Board comprises 6 Directors: 1 Non-Executive Non-Independent Chairman, 1 Executive Director and 4 Independent Directors, who have the appropriate mix of core competencies and diversity of experience, to direct and lead the Group. There is a good balance between the Executive Director and the Non-Executive Directors, with a strong and independent element on the Board.

The composition of the Board will be reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and the Directors collectively possess the necessary core competencies for effective functioning and informed decision-making.

The Board's objective in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender, ethnicity or nationality. The current 6 Board members are of 2 different nationalities. The Company is also receptive to achieving gender diversity on the Board with the appointment of a woman to the Board if there are suitable candidates.

The Board is of the view that the current board size is appropriate to effectively facilitate decision making in relation to the operations of the Group, taking into account the nature and scope of the Group's operations. The Board believes that the current Board members comprise persons whose diverse skills, experience and attributes provide for effective direction for the Group. The NC is also of the view that the current Board members comprise persons with a broad range of expertise and experience in diverse areas including accounting, finance, legal, business and management, technology, strategic planning and medical-related business experience.

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The Board will take the following steps to maintain or enhance its balance and diversity:

- annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and

- annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

To meet the challenges of the changing landscapes in which the Group operates, such reviews and evaluations, which include considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies, would be done on a periodic basis to ensure that the Board dynamics remain optimal.

The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.

Non-Executive Director Meetings in Absence of Management

Non-Executive Directors constructively challenge and help develop proposals on strategies and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. In addition, the Non-Executive Directors meet regularly in the absence of Management to discuss concerns or matters such as overall Group business strategies and investments.

Principle 3 **Chairman and Chief Executive Officer**

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Segregation of the Role of Chairman and the CEO

The roles of the Chairman and the CEO are separate to ensure a clear division of their responsibilities, increased accountability and greater capacity of the Board for independent decision making. The Chairman is not related to the CEO.

The Chairman leads the Board discussions and ensures that Board meetings are convened when necessary. He sets the Board meeting agenda and ensures the quality, adequacy and timeliness of the flow of information between the Board and Management to facilitate efficient decision making. He chairs the Board meetings and encourages the Board members to present their views on topics under discussion at the meetings. He also ensures compliance with the Group's guidelines on corporate governance.

The CEO is responsible for identifying and implementing company-wide business growth strategies and overseeing all aspects of the Group's growth and operating functions. He also oversees the execution of the Group's corporate strategy as set out by the Board and ensures that the Directors are kept updated and informed of the Group's businesses.

Lead Independent Director

Given that the Chairman is not independent, the Board has appointed Mr. Andrew John Lord as the Lead Independent Director. The Lead Independent Director is a key member of the Board, representing the views of the Independent Directors and facilitating flow of information among Shareholders, the Chairman and the Board.

The Board is of the view that given the current composition of the Board, there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on shared agreement without any individual exercising any significant power or influence.

Independent Directors Meetings in Absence of Other Directors

To facilitate well-balanced viewpoints on the Board, the Lead Independent Director will, where necessary, chair meetings with the Independent Directors without the involvement of other Directors, and the Lead Independent Director will provide feedback to the Chairman after such meetings.

Principle 4 **Board Membership**

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

Nominating Committee

The NC comprises 3 members, a majority of whom including the chairman, are Independent Directors. The members of the NC are as follows:

Tan Soon Liang (Chen Shunliang)	Chairman
Andrew John Lord	Member
Yee Pinh Jeremy	Member

The NC is guided by written terms of reference, of which the key terms of reference are as follows:

(a) reviewing and recommending the appointment of new Directors and executive officers and re-nomination of Directors having regard to each Director's contribution, performance and ability to commit sufficient time, resources and attention to the affairs of the Group, and each Director's respective commitments outside the Group including his other principal commitments and board representations on other companies, if any. The NC will conduct such reviews at least once a year, or more frequently as it deems fit;

(b) determining annually, and as and when circumstances require, whether or not a Director is independent;

(c) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director;

(d) developing a process for evaluating the performance of the Board as a whole and its committees, and for assessing the contribution of each Director to the effectiveness of the Board;

(e) reviewing the Directors' mix of skills, experience, core competencies and knowledge of the Group that the Board requires to function competently and efficiently;

(f) reviewing succession plans for the Directors, in particular, the Chairman and the CEO;

(g) reviewing the training and professional development programs for the Board;

(h) determining and recommending to the Board the maximum number of listed company board representations which any Director may hold and disclosing this in the Company's annual report; and

(i) reviewing and approving the employment of persons related to the Directors or substantial Shareholders and the proposed terms of their employment.

Board Representations

The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his directorships in other listed companies and other principal commitments. The NC also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively, whilst taking into consideration the maximum number of listed company board representations each Director may hold.

The considerations in assessing the capacity of Directors include the following:

- expected and/or competing time commitments of Directors;
- geographical location of Directors;
- size and composition of the Board; and
- nature and scope of the Group's operations and size.

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The NC takes into consideration the following measures and evaluation tools in its assessment of competing time commitments of Directors:

- declarations by each Director of their directorships in other listed companies and other principal commitments;
- annual confirmation by each Director on his ability to devote sufficient time and attention to the Group's affairs, having regard to his other commitments; and
- assessment of each Directors' performance based on the pre-determined criteria.

The NC has reviewed the time spent and attention given by each of the Directors to the Group's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that the Directors have been able to devote sufficient time and resources to the matters of the Group and as such, the Board deemed that it is not necessary to set a limit on the number of listed board representations that any Director may hold.

Alternate Directors

None of the Directors have appointed an alternate director in FY2018.

Board Nomination Process

The Board has adopted the following nomination process for the Company for selecting and appointing new Directors and re-electing incumbent Directors:

Process for the selection and appointment of new Directors:

1.	Determination of selection criteria	• The NC, in consultation with the Board, will identify the current needs of the Board in terms of skills, experience, knowledge and gender to complement and strengthen the Board and increase its diversity.
2.	Search for suitable candidates	• The NC will consider candidates drawn from the contacts and networks of existing Directors and may approach relevant institutions such as the Singapore Institute of Directors, professional organisations or business federations to source for a suitable candidate.
3.	Assessment of shortlisted candidates	• The NC will meet and interview the shortlisted candidates to assess their suitability.
4.	Appointment of Director	• The NC will recommend the selected candidate to the Board for consideration and approval.

Process for the re-election of incumbent Directors:

1.	Assessment of Director	• The NC will assess the performance of the Director in accordance with the performance criteria set by the Board. • The NC will also consider the current needs of the Board.
2.	Re-appointment of Director	• Subject to the NC's satisfactory assessment, the NC will recommend the proposed re-appointment of the Director to the Board for consideration and approval.

The Constitution requires that at least one-third of the Board (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting ("**AGM**"). A retiring Director is eligible for re-election at the AGM. Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every 3 years.

The NC has reviewed and recommended the re-election of Mr. Yee Pinh Jeremy and Mr. Andrew John Lord who will be retiring as Directors at the forthcoming AGM.

Mr. Yee Pinh Jeremy and Mr. Andrew John Lord will be retiring pursuant to Regulation 98 of the Constitution. Both of them have offered themselves for re-election. The Board has accepted the recommendations of the NC.

Each member of the NC has abstained from voting on any resolutions and making recommendations and/or participating in respect of matters in which he has an interest.

Directors' Key Information

Key information regarding the Directors such as their date of first appointment, date of last re-appointment and directorships held presently and in the past 3 preceding years in other listed companies is set out on pages 15 to 17 of this annual report.

Principle 5 **Board Performance**
There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

Performance Criteria

The Board has established processes to be carried out by the NC, including taking into consideration the attendance record at the meetings of the Board and the Board Committees for monitoring and evaluating the performance of the Board as a whole and effectiveness and contribution of individual Directors. At the same time, the processes also identify areas where improvements can be made. This will then allow the Board and individual Directors to direct more effort in those areas for achieving better performance of the Board and better effectiveness of individual Directors.

The NC has been tasked to evaluate the Board's performance covering areas that include, *inter alia*, size and composition of the Board, the Board's access to information, Board processes, strategic planning and accountability.

The NC shall also review the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole. The Board is of the opinion that a separate assessment on the effectiveness of the Board Committees is not necessary as the Board Committees share common members.

The NC may also engage an external facilitator for the evaluation process where necessary.

The review of the performance of the Board is conducted by the NC annually. The review of the performance of each Director is also conducted annually and when the individual Director is due for re-election.

The review process of the performance of the Board and the individual Directors is based on the following:

(a) each Director will complete a board evaluation questionnaire on the effectiveness of the Board based on the Board's pre-determined criteria;

(b) the Company Secretary will collate and submit the questionnaire results to the NC chairman in the form of a report;

(c) each Director will send the duly completed confidential individual Director self-assessment checklist to the NC chairman for review; and

(d) the NC will discuss the report and the NC chairman will present the results of the performance review during the NC meeting.

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All NC members will abstain from the voting or review process of any matter in connection with the assessment of their individual performance. The assessment criteria for individual Director evaluation includes, *inter alia*, Director's attendance, the commitment of time, candour, participation, knowledge and ability, teamwork, and overall effectiveness.

The NC will review the aforementioned criteria on a periodic basis to ensure that the criteria are able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long-term Shareholders value. Where circumstances deem it necessary for any of the criteria to be changed, the NC will propose amendments to the Board for approval.

The NC, having reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole, is of the view that the performance of the Board has been satisfactory in FY2018 and that the Board has met its performance objectives in FY2018. The evaluation process of the overall performance of the Board was conducted without an external facilitator in FY2018.

Principle 6 **Access to Information**

In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Provision of Information

All Directors are furnished at least on a quarterly basis with information concerning the Group to enable them to be fully cognizant of the decisions and actions of Management. Information provided to the Board includes board papers, copies of disclosure documents, budgets, forecasts, business strategies, risk analyses and assessments, financial statements and reports from the internal and external auditors. The Board has unrestricted access to the Group's records and information.

Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information for the Board meetings at least 1 week prior to the meetings to allow sufficient time for the Directors' review.

The Board has separate and independent access to Management at all times. Management is available to provide explanatory information in the form of briefings to the Directors or formal presentations in attendance at Board meetings, or such information can also be provided by external consultants engaged on specific projects. The Directors are also provided with the contact details of key management personnel to facilitate direct and independent access to Management.

Management will also provide any additional material or information that is requested by the Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. In addition, Management keeps the Board apprised of regulatory updates and implications, as well as significant project updates.

Meetings with subsidiaries, partners and consultants through overseas trips will be arranged, whenever necessary. Frequent information updates are provided by Management through emails, telephone conferences and informal meetings.

Company Secretary

The role of the Company Secretary is as follows:

- ensuring that Board procedures are observed and that the Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act and the Catalist Rules, are complied with;

- assisting the Chairman and the Board to implement and strengthen corporate governance practices, with a view to enhancing long-term Shareholders value;
- assisting the Chairman to ensure good information flow within the Board, the Board Committees and Management;
- facilitating orientation and assisting with professional development as required;
- training, designing and implementing a framework for Management's compliance with the Catalist Rules, including timely disclosure of material information;
- attending and preparing minutes for all Board and Board Committee meetings;
- assisting to ensure coordination and liaison among the Board, the Board Committees and Management; and
- assisting the Chairman, the chairman of each Board Committee and Management in the development of the agenda for the various Board and Board Committee meetings.

The Directors have separate and independent access to the Company Secretary.

The appointment and removal of the Company Secretary is a matter for the Board as a whole.

Independent Professional Advice

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their duties and responsibilities as Directors.

REMUNERATION MATTERS

Principle 7 **Procedures for Developing Remuneration Policies**
There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No directors should be involved in deciding his own remuneration.

Remuneration Committee

The RC comprises 4 members, a majority of whom including the chairman, are Independent Directors:

Andrew John Lord	Chairman
Chen Johnson	Member
Mark Benedict Ryan	Member
Mah How Soon (Ma Haoshun)[1]	Member

Note:
(1) Mah How Soon (Ma Haoshun) was appointed as a member of the RC on 1 March 2019.

All members of the RC are Non-Executive Directors.

The RC recommends to the Board a framework of remuneration for the Directors and key management personnel, and determines specific remuneration packages for the Executive Director as well as for the key management personnel. The recommendations will be submitted for endorsement by the Board.

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All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and benefits-in-kind, will be covered by the RC. The RC will also review annually the remuneration of employees related to the Directors and substantial Shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC will also review and approve any bonuses, pay increases and/or promotions for these employees. The RC's recommendations will be submitted for endorsement by the Board.

Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his remuneration package or that of employees related to him.

The RC is guided by written terms of reference, of which the key terms of reference are as follows:

(a) To recommend to the Board a framework of remuneration for the Directors, CEO and executive officers, and determine specific remuneration packages for the Executive Director and the key management personnel.

(b) To be responsible for the administration of the Company's performance share plan.

(c) To review the remuneration of employees who are related to the Directors, CEO or substantial Shareholders who hold managerial positions and above to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities.

(d) To annually review the remuneration of the key management personnel including the terms of renewal for their service agreements.

(e) To consider, review and approve and/or to vary (if necessary) the entire remuneration package, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and benefits-in-kind.

(f) To seek expert advice inside and/or outside the Company on the remuneration of all Directors.

(g) To review the Company's obligations arising in the event of termination of an Executive Director's or key management personnel's contract of service and to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and to avoid rewarding poor performance.

(h) To review and ensure that the level and structure of remuneration are aligned with the long-term interest and risk policies of the Company, and are appropriate and commercially competitive to attract, retain and motivate (i) the Directors to provide good stewardship of the Company; and (ii) key management personnel to successfully manage the Company.

(i) To structure a significant and appropriate proportion of the Executive Director's and key management personnel's remuneration so as to link rewards to corporate and individual performance. Such performance-related remuneration should be aligned with the interests of Shareholders and promote the long-term success of the Company. It should take account of the risk policies of the Company, be symmetric with risk outcomes and be sensitive to the time horizon of risks. There should be appropriate and meaningful measures for the purpose of assessing Executive Director's and key management personnel's performance.

(j) To review and consider whether the Executive Director and key management personnel should be eligible for benefits under long-term incentive schemes. The costs and benefits of long-term incentive schemes should be carefully evaluated. In normal circumstances, offers of shares or grants of options or other forms of deferred remuneration should vest over a period of time. The use of vesting schedules, whereby only a portion of the benefits can be exercised each year, is also strongly encouraged.

(k) To review and ensure the remuneration of Non-Executive Directors are appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Directors. Non-Executive Directors should not be over-compensated to the extent that their independence may be compromised. The RC will also consider implementing schemes to encourage Non-Executive Directors to hold shares in the Company so as to better align the interests of such Non-Executive Directors with the interests of Shareholders.

(l) To consider the various disclosure requirements for Directors' remuneration, particularly those required by regulatory bodies such as the SGX-ST.

(m) To carry out such other duties as may be agreed to by the RC and the Board.

Remuneration Consultant

The RC may from time to time, where necessary or required, seek advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management, so that the Group remains competitive in this regard.

The Company engaged HRnet One Pte Ltd as its remuneration consultant in FY2018. The RC undertook a review of the independence and objectivity of the external remuneration consultant and confirmed that the external remuneration consultant has no relationships with the Company which would affect their independence and objectivity.

Principle 8 **Level and Mix of Remuneration**
The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Remuneration Structure

In setting remuneration packages, the RC will take into consideration the pay and employment conditions within the industry and in comparable companies. The RC also seeks to ensure that the structure of remuneration packages for the Executive Director and key management personnel are appropriate in linking rewards with performance, are aligned with the interests of Shareholders and promote the long-term success of the Group. The remuneration of the Non-Executive Director is also reviewed by the RC to ensure that the remuneration is commensurate with the contribution and responsibilities of the Non-Executive Directors.

The Company has entered into a service agreement (the "**Service Agreement**") with the Executive Director and CEO, Mr. Yee Pinh Jeremy, for an initial period of 3 years (the "**Initial Term**") which is renewable automatically upon expiry of the Initial Term for 1 year periods, unless otherwise agreed. The Executive Director receives a monthly salary and is entitled to an annual wage supplement of one (1) month salary and a performance bonus at the discretion of the RC. The Company is entitled to recover from the Executive Director the relevant portion of any performance bonus paid to the Executive Director under the Service Agreement in the event that there is a restatement of the financial statements of the Company made to reflect the correction of a misstatement due to error or fraud during the financial year of the Company, or misconduct of the Executive Director resulting in financial loss to the Company. Please refer to the Company's offer document dated 11 December 2017 ("**Offer Document**") for further details.

Each Non-Executive Director receives a Director's fee which takes into account factors such as effort and time spent and scope of responsibilities. The fees for Non-Executive Directors are subject to Shareholders' approval at the forthcoming AGM.

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Principle 9 **Disclosure on Remuneration**

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and executive officers, and performance.

Directors' Remuneration

The Company's remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. Total compensation is pegged to the achievement of organisational and individual performance objectives and is benchmarked against relevant and comparative compensation in the market.

The remuneration (including salary, bonuses, contributions to the Central Provident Fund, allowances and benefits-in-kind) of each of the Directors and executive officers are linked to the financial performance of the Group and the individual's performance so as to promote the long-term sustainability of the Group.

The breakdown of the total remuneration of the Directors for FY2018 is as follows:

Name of Director	Salary (%)	Benefits (%)	Bonus (%)	Share-based payment (%)	Director fee (%)	Total (%)
Between S$1,500,000 to S$1,750,000						
Yee Pinh Jeremy	22	3	2	73	–	100
Below S$250,000						
Chen Johnson	–	–	–	–	100	100
Andrew John Lord	–	–	–	–	100	100
Mark Benedict Ryan	–	–	–	–	100	100
Tan Soon Liang (Chen Shunliang)	–	–	–	–	100	100
Mah How Soon (Ma Haoshun)(1)	–	–	–	–	100	100

Note:

(1) Mah How Soon (Ma Haoshun) was appointed as an Independent Director on 23 March 2018.

Save as disclosed above, no compensation was paid or is to be paid in the form of share awards to the Directors. There were no termination, retirement or post-employment benefits granted to the Directors in FY2018.

Executive Officers' Remuneration

The breakdown of the total remuneration of the Group's executive officers (who are not Directors or the CEO) for FY2018 is as follows:

Name of Executive Officers	Salary (%)	Benefits (%)	Shares (%)	Bonus (%)	Total (%)
Below S$250,000					
Simon Hoo Kia Wei	86	7	–	7	100
Liau Yen San, Jonathan	87	6	–	7	100
Fexlicia Lee Pei Yue	83	9	–	8	100
Wu En-Tzu Andrew (Wu Enci Andrew)(1)	91	9	–	–	100

Note:

(1) Wu En-Tzu Andrew (Wu Enci Andrew) resigned on 20 May 2018 and the remuneration paid to him was S$63,000 in FY2018.

CORPORATE GOVERNANCE REPORT

No compensation was paid or is to be paid in the form of share awards to the executive officers of the Group. There were no termination, retirement or post-employment benefits granted to the Group's executive officers in FY2018.

In considering the disclosure of remuneration of the Directors and executive officers of the Group, the Board has decided not to disclose the full details of the remuneration of each Director and executive officers due to the sensitive nature of such information and to prevent the poaching of key executives.

The aggregate remuneration paid to the executive officers of the Group (excluding the CEO) for FY2018 was approximately S$656,000.

Employees Related to a Director or the CEO

There is no employee who is an immediate family member of a Director or the CEO, whose remuneration exceeded S$50,000 in FY2018.

Clearbridge Health Performance Share Plan

The Company has implemented the Clearbridge Health Performance Share Plan (the "**Plan**"). The objective of the Plan is to:

(a) foster an ownership culture within the Group which aligns the interests of any eligible person selected by the RC to participate in the Plan (the "**Participants**") with the interests of Shareholders;

(b) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business divisions and encourage greater dedication and loyalty to the Group; and

(c) make total employee remuneration sufficiently competitive to recruit new Participants and/or retain existing Participants whose contributions are important to the long-term growth and profitability of the Group, and whose skills are commensurate with the Company's ambition to become a world class company.

The Plan is administered by the RC. The RC may decide the number of shares to be granted (the "**Awards**") to the Participants as the RC may select, in its absolute discretion, at any time during the period when the Plan is in force.

The number of shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the RC, which shall take into account criteria such as the Participant's rank, job performance, years of service and potential for future development, contribution to the success and development of the Group and the extent of effort and resourcefulness with which the performance conditions were achieved within the performance period. The performance conditions shall be determined at the discretion of the RC, which may comprise factors such as (but are not limited to) the market capitalisation or earnings of the Company at specified times. Please refer to the Offer Document for further details.

For FY2018, no Awards have been granted under the Plan.

Performance Criteria for Remuneration

The remuneration received by the Executive Director and executive officers take into consideration his or her individual performance and contribution towards the overall performance of the Group. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.

The performance criteria to assess the remuneration of the Executive Director and executive officers includes, among others, the profitability of the Group, leadership skills, as well as the Executive Director's and executive officer's compliance with all audit matters. The short-term incentive scheme would be the performance-related variable component of remuneration while the long-term incentive scheme would be the Plan.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Principle 10 **Accountability**

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

Assessment of Company's Performance, Position and Prospects

The Board is accountable to Shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to Shareholders in compliance with legislative and regulatory requirements, including the Catalist Rules.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports will be announced or issued within regulatory prescribed periods.

Management provides the Board with updates covering operational performance, financial results, marketing and business developments and other relevant information on a quarterly basis and as and when the Board may require from time to time, enabling the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

The Board also acknowledges its responsibility in relation to the preparation of the financial statements of the Group. The Board ensures that the preparation of the financial statements of the Group is in accordance with statutory requirements and applicable accounting standards.

All material information is released in a timely manner through various media, including announcements and press releases posted on the Company's website and disclosure via SGXNET.

Principle 11 **Risk Management and Internal Controls**

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Risk Management and Internal Controls

The Board, with the assistance from the AC, is responsible for risk governance and ensuring that Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the Group's assets. The Board acknowledges that risk management is an on-going process in which Management continuously participates to evaluate, monitor and report to the Board and the AC on significant risks. The Board is cognizant, however, that risk management policies and internal control systems are designed to manage identifiable risks and limit the Group's exposure to the risk of errors and irregularities and can only provide reasonable mitigation and not absolute assurance against material misstatement or loss.

The Board will, at least annually, review the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems.

Adequacy and Effectiveness of Internal Controls

Management is responsible for the design and implementation of internal controls (including financial, operational, compliance and information technology controls) and risk management systems. The review of the adequacy and effectiveness of such internal controls and risk management systems is under the purview of the AC. The AC carries out the review at least annually with the assistance of the internal auditors, KPMG Services Pte. Ltd ("**KPMG**"). The AC reviews the audit plans and the findings of the external auditors and the internal auditors and ensures that appropriate measures are implemented to address those issues and any weaknesses in the internal controls are highlighted.

The Board has obtained the following assurance from the CEO and the FC in respect of FY2018:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective.

Based on the internal control policies and procedures established and maintained by the Group, work performed by the internal auditors and the external auditors, assurance from the CEO and the FC, as well as reviews performed by the AC and Management, the Board confirms that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2018. The AC concurs with the Board's comments.

The Board notes that the system of internal controls and risk management established by the Group provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. Furthermore, the Board also acknowledges that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities.

Principle 12 **Audit Committee**
The Board should establish an Audit Committee with written terms of reference, which clearly set out its authority and duties.

Audit Committee

The AC comprises 4 members, all of whom, are Independent Directors:

Mark Benedict Ryan	Chairman
Andrew John Lord	Member
Tan Soon Liang (Chen Shunliang)	Member
Mah How Soon (Ma Haoshun)(1)	Member

Note:
(1) Mah How Soon (Ma Haoshun) was appointed as a member of the AC on 1 March 2019.

The AC will meet with the internal auditors and the external auditors without the presence of Management at least once a year, to, *inter alia*, receive feedback on the level of co-operation provided by Management and ascertain if there are any material weaknesses or control deficiencies in the Group's financial reporting and operational systems.

The members of the AC do not have any management and business relationships with the Group or any substantial Shareholder.

None of the AC members were previous partners or directors of the Group's existing external auditing firm and none of the AC members hold any financial interest in the external auditing firm.

The AC is guided by written terms of reference, including:

(a) review, with the internal auditors and the external auditors, the audit plans, scope of work, their evaluation of the system of internal controls, audit reports, their management letters and Management's response, and the results of audits compiled by the internal auditors and the external auditors, and will review at regular intervals with Management the implementation by the Group of the internal control recommendations made by the internal auditors and the external auditors;

(b) review the periodic consolidated financial statements and any formal announcements relating to the Group's financial performance before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments arising from the audit, compliance with accounting standards, compliance with the Catalist Rules and any other statutory and regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management, where necessary, before submission to the Board for approval;

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(c) review and report to the Board, at least annually, the effectiveness and adequacy of the internal controls (including financial, operational, compliance and information technology controls) and risk management systems and discuss issues and concerns, if any, arising from the internal audits;

(d) review and discuss with the internal auditors and the external auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's results of operations, financial performance or financial position and Management's response;

(e) review the key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual report or if the findings are material, to be immediately announced via SGXNET;

(f) review and approve hedging policies that may be implemented by the Group and conduct periodic review of such policies, including review of foreign exchange transactions and hedging policies and procedures;

(g) review the co-operation given by Management to the internal auditors and the external auditors, where applicable;

(h) meet with the external auditor, other committees, and Management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

(i) review the independence and objectivity of the internal auditors and the external auditors as well as consider the appointment or re-appointment of the internal auditors and the external auditors, including approving the remuneration and terms of engagement of the internal auditors and the external auditors;

(j) review the nature and extent of non-audit services provided by the external auditor;

(k) report actions and minutes of the AC meetings to the Directors with such recommendations as the AC considers appropriate;

(l) review and approve any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules and review procedures thereof;

(m) review potential conflicts of interests (if any) and set out a framework to resolve or mitigate any potential conflicts of interests;

(n) review the procedures by which employees of the Group may, in confidence, report to the chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto;

(o) review transactions falling within the scope of Chapter 10 of the Catalist Rules, if any;

(p) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

(q) undertake generally such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time.

In addition, the AC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's results of operations or financial position.

Qualifications of AC

The Board is of the view that the AC chairman and members are appropriately qualified, with the necessary accounting, financial advisory, business management, corporate and finance, investment and corporate legal expertise and experience to discharge the AC's functions.

Mark Benedict Ryan is a Chartered Accountant and has extensive accounting and financial management knowledge and exposure. Tan Soon Liang (Chen Shunliang) is a Chartered Financial Analyst® with many years of accounting and financial management expertise and experience. Mah How Soon (Ma Haoshun) is a Chartered Accountant with many years of transactional and management experience in corporate finance.

Authority of AC

Apart from the duties listed above, the AC has the power to conduct or authorise investigations into any matters within the AC's terms of reference. The AC has full access to and co-operation of Management and has full discretion to invite any Director or executive officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The AC is authorised to obtain independent professional advice as it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

Meeting between Audit Committee and Auditors

The AC met with the internal auditors and the external auditors in the absence of Management in FY2018.

Independence of External Auditors

A breakdown of the fees paid to the external auditors of the Group for FY2018 is as follows:

Fees Paid/Payable to the External Auditors for FY2018		
	S$'000	%
Audit fees	294	87.5
Non-audit fees	42	12.5
Total	**336**	**100**

The AC has undertaken a review of all non-audit services that were provided by the external auditors and is satisfied that the provision of such services has not affected the independence of the external auditors.

The AC has recommended to the Board the nomination of Ernst & Young LLP for re-appointment as the Company's external auditors at the forthcoming AGM.

The Company confirms that it complies with Rules 712 and 716 of the Catalist Rules on the appointment of auditing firms for the Company, as well as its subsidiaries and significant associated companies.

The AC periodically receives updates on changes in accounting standards shared by the external auditors.

Whistle-blowing Policy

The Group has in place a whistle-blowing policy. The Group's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting to the AC a whistle-blowing report through the whistleblowing channels of the Group, immediate supervisors or the admin manager. The Group will consider and decide whether or not to conduct an investigation and acknowledge receipt of the report within 5 working days.

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Depending on the nature of the concern raised, the investigation may be conducted with the assistance of experts or advisers, such as the internal auditors and the external auditors, forensic professionals, and the police or the Commercial Affairs Department.

The Lead Independent Director together with the AC will ensure that any disciplinary, civil and/or criminal action that is initiated following the completion of investigations is appropriate and impartial. All investigation reports will be properly documented.

The details of the policy have been disseminated and made available to all parties concerned in the Company's code of conduct.

Principle 13 **Internal Audit**
The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

Internal Audit

The AC reviews and approves the internal audit plan on an annual basis to ensure the adequacy of the scope of audit. The AC also ensures that the internal audit function is adequately resourced and has appropriate standing within the Group.

The internal audit plan complements that of the external auditors and together form a robust risk-based audit approach to facilitate the AC's review of the adequacy and effectiveness of the Group's internal controls and risk management systems.

The Group's internal audit function is outsourced to KPMG and they report directly to the AC chairman. KPMG has confirmed their independence to the AC and the Board. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation to which the internal audit function of the Group is outsourced.

The internal auditors report their findings to the AC and the Board. Management is responsible for ensuring that appropriate measures are implemented to address the internal control weaknesses highlighted by the internal auditors.

The AC is satisfied that KPMG is able to discharge its duties effectively as:

- it is independent from the Group;
- it is appropriately staffed with persons of relevant qualifications and experience, given that the partner and staff assigned to the internal audit of the Group are members of the Institute of Internal Auditors;
- the functions performed by the internal auditors conform with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors; and
- it is adequately resourced and has the appropriate standing in the Group, given, *inter alia*, its involvement in AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14 **Shareholder Rights**

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Shareholder Rights

The Company treats all Shareholders fairly and equitably, and recognises, protects and facilitates the exercise of Shareholders' rights and continually reviews and updates such governance arrangements.

The Company is committed to making timely, full and accurate disclosures to Shareholders and the public. All information on the Group's new initiatives which would be likely to materially affect the price or value of the Company's shares will be promptly disseminated via SGXNET to ensure fair communication with Shareholders. The Company does not practice selective disclosure.

All Shareholders are informed of general meetings through notices contained in the Company's annual reports or circulars sent to them. Shareholders will be given the opportunity to participate effectively in and vote at the general meetings.

The Constitution allows members of the Company to appoint 2 proxies to attend, speak and vote at the general meetings on their behalf. A relevant intermediary (as defined in Section 181 of the Companies Act) is entitled to appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.

Supplementary Retirement Scheme Investors ("**SRS Investors**") may attend and cast their vote(s) at the general meetings in person. SRS Investors who are unable to attend the general meetings but would like to vote, may inform their Supplementary Retirement Scheme approved nominees to appoint the chairman of the general meetings to act as their proxy.

Principle 15 **Communication with Shareholders**

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Communication with Shareholders

The Company commits itself to disclose and convey pertinent information to all stakeholders in a timely manner.

General meetings are the principal forum for dialogue with Shareholders and Shareholders are encouraged to participate in such meetings. During these meetings, Shareholders are able to engage with the Board and Management in discussions on the Group's business activities, financial performance and other business-related matters. This enables the Company to solicit feedback from the investment community on a range of strategic and topical issues which provide valuable insights to the Company on investors' views.

The Group's financial results and annual reports are announced or issued within the period specified under the Catalist Rules, and are also made available to the public via the Company's website, http://clearbridgehealth.com. The website is also updated regularly and contains various other investor-related information on the Group which serves as an important resource for investors.

As and when necessary, the Executive Director and CEO and the key management personnel will meet analysts and fund managers who wish to seek a better understanding of the Group's business and operations.

The Company has appointed an investor relations firm, August Consulting Pte Ltd, to manage communication with its stakeholders and to ensure that their queries and concerns are promptly addressed by the relevant management personnel.

CORPORATE GOVERNANCE REPORT

Dividend Policy

The Company does not have a fixed dividend policy. The form, frequency and amount of future dividends that the Directors may recommend or declare in respect of any particular financial year or period will be subject to factors such as levels of cash and accumulated profits, actual and projected financial performance, projected levels of capital requirements and general financing conditions, restrictions on payment of dividends imposed on the Group by its financing arrangements (if any), general economic and business conditions in countries the Group operates in and other relevant factors as the Board may deem appropriate.

No dividend was declared by the Company for FY2018 as the Company did not have distributable profits.

Principle 16 **Conduct of Shareholder Meetings**

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

Conduct of Shareholder Meetings

Shareholders are encouraged to attend the general meetings to ensure a high level of accountability and to stay apprised of the Group's strategies and goals. Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed. Notice of the general meetings will be advertised in newspapers and announced on SGXNET.

The Constitution allows for abstentia voting (including but not limited to voting by mail, electronic mail or facsimile). A Shareholder is entitled to attend and vote or to appoint not more than 2 proxies who need not be Shareholders, to attend and vote at the general meetings on his behalf.

An independent polling agent will be appointed by the Company for general meetings who will explain the rules, including the voting procedures at the general meeting. The Company ensures that Shareholders are given the opportunity to participate effectively in and vote at general meetings.

The Company ensures that there are separate resolutions at general meetings on each distinct issue. Separate resolutions are proposed for substantially separate issues at Shareholders' meetings for approval. "**Bundling**" of resolutions is done only where the resolutions are interdependent and linked so as to form one significant proposal and only where there are reasons and material implications involved.

All Directors (including the respective chairmen of the Board Committees) will be present at general meetings to address Shareholders' queries. The external auditors are also required to be present to address Shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report.

All minutes of general meetings including the questions raised by Shareholders in relation to the meeting agenda and the responses from the Board and/or Management, will be made available to Shareholders on their request.

All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meetings. Electronic poll voting will be adopted so as to better reflect Shareholders' interest and ensure greater transparency. Votes cast for and against each resolution will be tallied and displayed live-on-screen to Shareholders at the general meeting.

Material Contracts

Save for the Service Agreement, there were no material contracts of the Company and its subsidiaries involving the interests of the CEO, any Director or controlling Shareholder which are either still subsisting at the end of FY2018 or, if not then subsisting, entered into since the end of FY2017.

CORPORATE GOVERNANCE REPORT

Interested Persons Transaction ("IPTs")

There were no IPTs during FY2018. The Group does not have a general mandate for IPTs.

The Company has implemented an internal policy in respect of any transactions with an interested person (as defined in the Catalist Rules) and has established procedures for the review and approval of all IPTs entered into by the Group. In the event that a potential conflict of interest arises, the Director concerned will not participate in discussions, will abstain from decision making, and will refrain from exercising any influence over other members of the Board in respect of such matter.

The Company has also established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and the transactions will not be prejudicial to the interest of the Group and its minority Shareholders. To ensure compliance with Chapter 9 of the Catalist Rules, the Board and the AC will review, on a quarterly basis, IPTs entered into by the Group (if any).

Dealing in Securities

The Company and its subsidiaries have adopted an internal policy which prohibits the Directors and officers of the Group from dealing in the securities of the Company while in possession of price-sensitive information. All Directors and officers of the Group are expected to observe insider trading laws at all times.

The Company, the Directors and officers of the Group are discouraged from dealing in the Company's securities on short-term considerations and are prohibited from dealing in the Company's securities during the period beginning 2 weeks before the announcement of the Company's quarterly financial statements and 1 month before the announcement of the Company's full-year financial statements.

Non-sponsor Fees

No non-sponsor fees were paid to the Company's sponsor, United Overseas Bank Limited, in FY2018.

IPO Proceeds

The Company received net proceeds from the IPO of approximately S$22.0 million.

The net proceeds have been utilised as follows:

	Amount allocated (as disclosed in the Offer Document) (S$'000)	**Amount utilised as at the date of this annual report (S$'000)**	**Balance (S$'000)**
Expansion of medical clinics/centres business organically or through, *inter alia*, investments, mergers and acquisitions, joint ventures and/or strategic collaborations	11,000	(4,384)	6,616
Expansion of laboratory testing services business organically or through, *inter alia*, 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	(15,384)	6,616

Note:

(1) Comprises operating expenses

DIRECTORS' STATEMENT

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Clearbridge Health Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2018.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and the financial performance and changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The Directors of the Company in office at the date of this statement are:

Chen Johnson
Yee Pinh Jeremy
Mark Ryan Benedict
Andrew John Lord
Tan Soon Liang
Mah How Soon

3. Arrangements to enable Directors to acquire shares and debentures

Except as described in paragraph 5 below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

4. Directors' interests in shares or debentures

The following Directors who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest			Deemed interest		
Name of Director	**At 1.1.2018**	**At 31.12.2018**	**At 21.1.2019**	**At 1.1.2018**	**At 31.12.2018**	**At 21.1.2019**
Chen Johnson	75,529,100	77,055,100	77,055,100	–	–	–
Yee Pinh Jeremy	385,000	2,898,593	2,898,593	–	14,578,200	14,578,200
Mark Ryan Benedict	–	–	–	–	1,048,800	2,097,600
Andrew John Lord	–	–	–	–	–	–
Tan Soon Liang	–	–	–	–	–	–
Mah Soon How	–	–	–	–	–	–

5. Share options

At an Extraordinary General Meeting held on 20 November 2017, shareholders approved the Clearbridge Health Performance Share Plan (the "Plan") that gives the rights to grant awards in the form of shares to full time employees of the Group or Group Directors at the absolute discretion of the Remuneration Committee (the "RC").

The RC, comprising four directors, Mr. Andrew John Lord, Mr. Chen Johnson, Mr. Mark Benedict Ryan and Mr. Mah How Soon (Ma Haoshun), is responsible for administering the Plan.

Since the commencement of the Plan till the end of the financial year, no awards have been granted to any employees or directors.

DIRECTORS' STATEMENT

6. **Audit committee**

The Audit Committee (AC) carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Chapter 50. Further details regarding the audit committee are disclosed in the Corporate Governance Report.

7. **Auditor**

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Chen Johnson
Director

Yee Pinh Jeremy
Director

Singapore
2 April 2019

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Independent Auditor's Report to the Members of Clearbridge Health Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Clearbridge Health Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2018, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

1) <u>Valuation of financial instruments</u>

The Group measures the derivative financial instruments amounting to S$3,788,000 at fair value through profit or loss and other investments amounting to S$1,860,000 at fair value through other comprehensive income.

Determining the fair value of these instruments is inherently subjective in nature as they comprise unquoted equity instruments and derivatives whereby the fair valuation required the use of valuation models. The valuation models use various unobservable inputs which are subject to high estimation uncertainty. The use of different valuation models and assumptions could produce significantly different estimates of fair value. Given that the valuation of these instruments involves the application of unobservable inputs such as projected stock price volatility, discount rates and rate of successful equity financing, amongst others, there is greater estimation uncertainty in the determination of these values. As such, the valuation of the financial instruments is considered to be a key audit matter.

Management engaged an external valuation specialist to determine the fair value of the financial instruments.

Key audit matters (Continued)

1) Valuation of financial instruments (Continued)

Our audit procedures included, amongst others, evaluating the reasonableness of management key estimates and key assumptions, discussion with the management and valuer on the appropriateness of the key assumptions. We considered the independence, objectivity and the relevant experience of the external valuation specialist. In addition, we involved our internal valuation specialist to assist in testing the appropriateness of the valuation methodologies and certain key assumptions used by the external valuation specialist such as projected stock price volatility, discount rates and rate of successful equity financing. We also considered the adequacy of the disclosures required with regard to the nature and valuation of the financial instruments in Note 33 to the consolidated financial statements.

2) Accounting for business combination

During the financial year, the Group completed the acquisition of 85% equity interest in Medic Laser Private Limited and Medic Surgical Private Limited, 55% equity interest in PT Tirta Medika Jaya and 65% equity interest in Cleabridge Medical (Philippines), Inc. (formerly known as Marzan Health Care Inc.) for a total purchase consideration of S$7,465,000, S$4,950,000 and S$1,759,000 respectively. The consideration for these acquisitions was settled through cash and/or shares and involved contingent consideration. These acquisitions were accounted for using the acquisition method where the Group performed a purchase price allocation ("PPA") exercise with the assistance of external valuers as disclosed in Note 11 to the consolidated financial statements.

We have identified this as a key audit matter based on the quantitative materiality of the acquisitions, the significant management judgement and estimates involved in the PPAs, including the measurement of the fair value of the purchase consideration due to the moratorium of shares and contingent consideration, and the identification and measurement of intangible assets.

Our audit procedures included, amongst others, reading the purchase agreements to obtain an understanding of the transactions and the key terms, review the valuation of purchase consideration and the PPA performed. An important element of our audit relates to management's identification of acquired assets and liabilities and their fair values. We have corroborated this identification with our knowledge of the business, our understanding of management's business plans, and management's explanations on the rationale of the acquisition and future plans. We involved our internal specialists in reviewing the valuation methodologies adopted by management and the valuer, and assessing the key assumptions and inputs used in measuring the fair values of acquired assets and liabilities, as well as the fair value of the considerations. We further assessed the adequacy of the disclosures on these business combinations in Note 11 to the consolidated financial statements.

3) Impairment assessment of goodwill

As at 31 December 2018, the Group's recorded goodwill amounted to S$22,296,000. This represents 36% of the Group's total assets and 46% of the Group's non-current assets on the consolidated statement of financial position.

Due to the significant carrying amount of the goodwill, level of management judgement involved and sensitivity of assumptions used in the cash flow projections as part of impairment testing, we have considered this matter as a key audit matter.

Our procedures included, amongst others, understanding management's impairment assessment process which include their basis in the identification of cash-generating units to which goodwill have been allocated to, and preparation of the budget upon which the value-in-use calculation is based on. We assessed the reasonableness of the key assumptions and methodologies used by the Group in their value-in-use calculations, by comparing to market available data such as publicly available industry reports and our expectations of key inputs like the projected revenue growth and pre-tax discount rates. We also tested the sensitivity of certain key assumptions by performing break-even analysis of the recoverable amounts. We involved our internal valuation specialist to support our assessment. We also assessed the adequacy of the disclosures in Note 16 to the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Auditor's responsibilities for the audit of the financial statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Swee Ho.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
2 April 2019

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018 S$'000	2017 S$'000
Revenue	4	**6,135**	288
Purchases		**(3,250)**	(241)
Employees benefits expense	5	**(7,415)**	(3,499)
Depreciation expense		**(1,018)**	(88)
Amortisation expense		**(81)**	(23)
Research and development expenses		**(20)**	(202)
Other income	6	**636**	346
Fair value loss on other investments		**(1,444)**	(301)
Fair value loss on associates		**(4,020)**	(1,818)
Fair value loss on derivative financial instruments		**(2,119)**	(210)
Other operating expenses		**(5,802)**	(4,908)
Finance costs	7	**(329)**	(250)
Loss before taxation	8	**(18,727)**	(10,906)
Income tax (expense)/credit	9	**(158)**	2,981
Loss for the year		**(18,885)**	(7,925)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Net fair value gain on equity instruments at fair value through other comprehensive income		**375**	–
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations		**(213)**	197
Total comprehensive income for the year		**(18,723)**	(7,728)
Loss attributable to:			
Owners of the Company		**(18,448)**	(7,470)
Non-controlling interests		**(437)**	(455)
		(18,885)	(7,925)
Total comprehensive income attributable to:			
Owners of the Company		**(18,251)**	(7,323)
Non-controlling interests		**(472)**	(405)
		(18,723)	(7,728)
Loss per share (cents per share)			
– Basic and diluted	10	**(3.79)**	(2.33)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF **FINANCIAL POSITION**

AS AT 31 DECEMBER 2018

	Note	Group 31.12.2018 S$'000	Group 31.12.2017 S$'000	Group 1.1.2017 S$'000	Company 31.12.2018 S$'000	Company 31.12.2017 S$'000	Company 1.1.2017 S$'000
Non-current assets							
Investments in subsidiaries	11	**–**	–	–	**33,181**	33,181	372
Investments in associates	12	**13,230**	15,052	28,174	**–**	–	21,112
Derivative financial instruments	13	**3,788**	5,907	6,229	**–**	–	112
Property, plant and equipment	14	**6,625**	2,597	48	**23**	6	22
Intangible assets	15	**266**	106	95	**3**	3	3
Goodwill on consolidation	16	**22,296**	11,002	–	**–**	–	–
Other investments	17	**1,860**	1,485	7,020	**–**	–	3,852
Amounts due from subsidiaries	21	**–**	–	–	**23,783**	–	–
Other receivables	20	**–**	–	200	**–**	–	–
		48,065	36,149	41,766	**56,990**	33,190	25,473
Current assets							
Cash at banks and short-term deposits	18	**8,005**	27,740	4,308	**3,509**	23,294	2,806
Trade receivables	19	**2,050**	71	25	**–**	–	25
Prepayments		**275**	282	12	**86**	101	9
Other receivables	20	**3,954**	942	560	**88**	487	559
Amounts due from subsidiaries	21	**–**	–	–	**15,307**	15,420	11,466
Inventories	22	**413**	66	–	**–**	–	–
Other investment	17	**–**	3,543	–	**–**	–	–
		14,697	32,644	4,905	**18,990**	39,302	14,865
Total assets		**62,762**	68,793	46,671	**75,980**	72,492	40,338
Current liabilities							
Borrowings	25	**470**	9	–	**400**	–	–
Trade payables		**1,007**	183	69	**–**	–	–
Other payables	23	**7,072**	5,540	4,225	**360**	1,185	431
Amounts due to subsidiaries	24	**–**	–	–	**2,848**	2,396	20
Contract liabilities	4	**473**	–	–	**–**	–	–
Income tax payable		**196**	–	–	**15**	–	–
		9,218	5,732	4,294	**3,623**	3,581	451
Net current assets		**5,479**	26,912	611	**15,367**	35,721	14,414
Non-current liabilities							
Borrowings	25	**2,419**	1,632	–	**611**	–	–
Deferred tax liabilities	26	**1,821**	1,786	4,748	**–**	–	2,774
Other payables	23	**1,774**	–	–	**–**	–	–
		6,014	3,418	4,748	**611**	–	2,774
Total liabilities		**15,232**	9,150	9,042	**4,234**	3,581	3,225
Net assets		**47,530**	59,643	37,629	**71,746**	68,911	37,113
Equity attributable to owners of the Company							
Share capital	27	**77,670**	73,897	28,495	**77,670**	73,897	28,495
Capital reserve	28	**(2,179)**	(2,179)	3,803	**(6,716)**	(6,716)	–
Share-based payment reserve	28	**1,379**	165	170	**1,214**	–	–
Fair value reserve	28	**1,110**	–	–	**–**	–	–
Currency translation reserve	28	**(263)**	(85)	(232)	**–**	–	–
(Accumulated losses)/retained earnings		**(30,041)**	(10,858)	6,245	**(422)**	1,730	8,618
Equity attributable to owners of the Company		**47,676**	60,940	38,481	**71,746**	68,911	37,113
Non-controlling interests		**(146)**	(1,297)	(852)	**–**	–	–
Total equity		**47,530**	59,643	37,629	**71,746**	68,911	37,113

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Group	Note	Share capital S$'000	Capital reserve S$'000	Share-based payment reserve S$'000	Fair value reserve S$'000	Currency translation reserve S$'000	Accumulated losses S$'000	Equity attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total S$'000
Balance as at 1 January 2018 (FRS framework)		73,897	(2,179)	165	–	(85)	(10,858)	60,940	(1,297)	59,643
Adoption of SFRS(I) 9		–	–	–	735	–	(735)	–	–	–
Balance as at 1 January 2018 (SFRS(I) framework)		73,897	(2,179)	165	735	(85)	(11,593)	60,940	(1,297)	59,643
Total comprehensive income for the year										
Loss for the year		–	–	–	–	–	(18,448)	(18,448)	(437)	(18,885)
Other comprehensive income for the year		–	–	–	375	(178)	–	197	(35)	162
Total comprehensive income for the year		–	–	–	375	(178)	(18,448)	(18,251)	(472)	(18,723)
Transactions with owners, recognised directly in equity										
Grant of equity-settled shares to an employee	5	–	–	1,214	–	–	–	1,214	–	1,214
Issuance of ordinary shares pursuant to acquisition of subsidiaries	11	3,773	–	–	–	–	–	3,773	1,623	5,396
Total		3,773	–	1,214	–	–	–	4,987	1,623	6,610
Balance as at 31 December 2018		77,670	(2,179)	1,379	1,110	(263)	(30,041)	47,676	(146)	47,530

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Group	Note	Share capital S$'000	Capital reserve S$'000	Share-based payment reserve S$'000	Currency translation reserve S$'000	Retained earnings/ (accumulated losses) S$'000	Equity attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total S$'000
Balance as at 1 January 2017		28,495	3,803	170	(232)	6,245	38,481	(852)	37,629
Total comprehensive income for the year									
Loss for the year		–	–	–	–	(7,470)	(7,470)	(455)	(7,925)
Other comprehensive loss for the year		–	–	–	147	–	147	50	197
Total comprehensive income for the year		–	–	–	147	(7,470)	(7,323)	(405)	(7,728)
Transactions with owners, recognised directly in equity									
Dividend during the year	1.2 (iii)	–	–	–	–	(9,633)	(9,633)	–	(9,633)
Share based payment – equity settled		–	–	(5)	–	–	(5)	(2)	(7)
Disposal of subsidiaries	1.2 (ii)	–	(87)	–	–	–	(87)	(38)	(125)
Disposal of investments	1.2 (iii)(iv) (vii)	–	(3,934)	–	–	–	(3,934)	–	(3,934)
Waiver of loans to a related party		–	(1,961)	–	–	–	(1,961)	–	(1,961)
Issuance of ordinary shares pursuant to an Initial Public Offering ("IPO")		24,640	–	–	–	–	24,640	–	24,640
Share issuance expenses		(1,174)	–	–	–	–	(1,174)	–	(1,174)
Issuance of shares pursuant to the Restructuring Exercise (Note 1.2)		21,936	–	–	–	–	21,936	–	21,936
Total		45,402	(5,982)	(5)	–	(9,633)	29,782	(40)	29,742
Balance as at 31 December 2017		73,897	(2,179)	165	(85)	(10,858)	60,940	(1,297)	59,643

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Share capital S$'000	Capital reserve S$'000	Share-based payment reserve S$'000	Retained earnings/ (accumulated losses) S$'000	Total S$'000
Company						
Balance as at 1 January 2017		28,495	–	–	8,618	37,113
Dividend during the year		–	–	–	(9,633)	(9,633)
Effects on disposal of investments	1.2 (iii)(iv) (vii)	–	(3,934)	–	–	(3,934)
Effects on disposal of subsidiaries		–	(17)	–	–	(17)
Effects on waiver of loans to a related party		–	(1,961)	–	–	(1,961)
Effects on waiver of loans to subsidiaries		–	(804)	–	–	(804)
Issuance of shares pursuant to the Restructuring Exercise (Note 1.2)		21,936	–	–	–	21,936
Issuance of ordinary shares pursuant to an IPO		24,640	–	–	–	24,640
Share issuance expenses		(1,174)	–	–	–	(1,174)
Profit for the year, representing total comprehensive income for the year		–	–	–	2,745	2,745
Balance at 31 December 2017 and 1 January 2018		73,897	(6,716)	–	1,730	68,911
Grant of equity-settled shares to an employee	5	–	–	1,214	–	1,214
Issuance of ordinary shares pursuant to acquisition of subsidiaries		3,773	–	–	–	3,773
Loss for the year, representing total comprehensive income for the year		–	–	–	(2,152)	(2,152)
Balance as at 31 December 2018		**77,670**	**(6,716)**	**1,214**	**(422)**	**71,746**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018 S$'000	2017 S$'000
Operating activities			
Loss before taxation		**(18,727)**	(10,906)
Adjustments for:			
Share issuance expense charged to profit or loss		**–**	1,463
Share-based payment – equity settled		**1,214**	–
Depreciation expense	14	**1,018**	88
Amortisation expense	15	**81**	23
Intangible assets written off		**–**	151
Plant and equipment written off		**–**	23
Gain on disposal of property, plant and equipment		**(40)**	(3)
Interest income		**(273)**	(257)
Interest expense	7	**329**	250
Fair value adjustment on contingent consideration for business combinations		**194**	–
Fair value loss on derivative financial instruments		**2,119**	210
Fair value loss on associates		**4,020**	1,818
Fair value loss on other investments		**1,444**	301
Unrealised foreign exchange loss		**151**	144
Operating cash flows before changes in working capital		**(8,470)**	(6,695)
Increase in trade receivables		**(912)**	(44)
Decrease/(increase) in prepayments		**4**	(268)
Decrease/(increase) in other receivables		**176**	(791)
Increase in inventories		**(157)**	(50)
Increase/(decrease) in trade payables		**449**	(85)
(Decrease)/increase in other payables		**(1,317)**	1,159
Cash flows used in operations		**(10,227)**	(6,774)
Income tax paid		**(43)**	(3)
Interest paid		**(53)**	(2)
Interest received		**110**	13
Net cash flows used in operating activities		**(10,213)**	(6,766)
Investing activities			
Purchase of property, plant and equipment		**(1,676)**	(2,560)
Increase in other receivables due to disposal of property, plant and equipment		**–**	(13)
Acquisition of intangible assets		**–**	(96)
Proceed from disposal of property, plant and equipment		**69**	–
Net cash (outflow)/inflow from acquisition of subsidiaries		**(5,823)**	10,731
Loan to a third party		**(2,820)**	–
Net cash flows (used in)/generated from investing activities		**(10,250)**	8,062

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED
CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018 S$'000	2017 S$'000
Financing activities			
Proceeds from bank loans		**1,103**	1,641
Disposal of subsidiaries		–	(102)
Proceeds from issuance of shares		–	24,640
Share issuance expense capitalised against share capital		–	(1,174)
Share issuance expense charged to profit or loss		–	(1,463)
Repayment of loans and borrowings		**(160)**	(4)
Non-trade balances with a related party and subsequently waived (Note A)		–	(1,451)
Increase in restricted deposits		**(235)**	–
Net cash flows generated from financing activities		**708**	22,087
Net (decrease)/increase in cash and cash equivalents		**(19,755)**	23,383
Effect of foreign exchange rate changes, net		**(215)**	49
Cash and cash equivalents at the beginning of the year		**27,740**	4,308
Cash and cash equivalents at the end of the year	18	**7,770**	27,740

Note A: During the financial year ended 31 December 2017, the Group continued to finance the operations of a related company, disposed in year 2016 and extended loans in aggregate of S$1,451,230. These loans were subsequently waived off on 31 March 2017.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

1. CORPORATE INFORMATION

1.1 *The Company*

The Company (Registration No. 201001436C) is incorporated in Singapore with its principal place of business and registered office at 37 Jalan Pemimpin, #08-05 Mapex, Singapore 577177. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding company. The principal activities of the subsidiaries and associates are disclosed in Notes 11 and 12 to the financial statements, respectively.

The Company's ordinary shares have been listed on the Catalist Board of Singapore Exchange Securities Trading Limited (the "**Listing**") since 18 December 2017.

1.2 *The Restructuring Exercise*

In preparation for the Listing during the financial year 2017, the Group undertook a restructuring exercise (the "**Restructuring Exercise**") which involved, inter alia, the following:

(i) In February 2017, the Group completed the deregistration of some of its subsidiaries namely Clearbridge Bioloc Pte. Ltd., Clearbridge Nanomedics Pte. Ltd., Clearbridge Vitalsigns Pte. Ltd. and Singapore Genome Medicine Pte. Ltd.

(ii) In March 2017 and June 2017, the Group disposed its entire interest in its subsidiaries, Clearbridge mFluidics Pte. Ltd. and Clearbridge Technologies Pte. Ltd. respectively. The disposals were made to a related company owned by the shareholders for a consideration of S$1 each.

As these were transactions with the shareholders of the Group, these disposals were treated as equity transactions. Differences between the consideration and the fair value of the disposed entities were accounted for as changes to capital reserve.

Consequently, the Group recorded changes to capital reserve of S$87,000 during the year ended 31 December 2017.

(iii) In March 2017, the Group completed the disposal of its interest in an associate, Treebox Solutions Pte. Ltd. by declaring a dividend of S$9,633,000 via an in-specie share distribution to the shareholders of the Company. The fair value of the investment as at the date of disposal and the effects of the disposal were:

	2017 S$'000
Fair value of investment	9,819
Impact to capital reserves on disposal:	
Dividend declared	9,633
Fair value of investment derecognised	(9,819)
Changes to capital reserve	(186)

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1. CORPORATE INFORMATION (CONTINUED)

1.2 ***The Restructuring Exercise (Continued)***

(iv) In March 2017, the Group completed the disposal of its entire interest in an investee, classified as other investment as at 1 January 2017 to a related company owned by the shareholders for a consideration of S$1. The fair value of the investment as at the date of disposal and the effects of the disposal were:

	2017 **S$'000**
Fair value of investment	3,455
Impact to capital reserves on disposal:	
Cash received	–*
Fair value of investment derecognised	(3,455)
Changes to capital reserve	(3,455)

* The cash received is S$1.

As these were transactions with the shareholders of the Group, these disposals were treated as equity transactions. Differences between the consideration and the fair value of the disposed entities were accounted for as changes to capital reserve.

(v) In May 2017, the Group completed the acquisition of 100% equity interest in Clearbridge Medical Group Pte. Ltd. ("**CBMG**") and its subsidiaries. CBMG was established in 2016 and is in the business of providing healthcare and other general medical services through its clinics/centres. Details of the acquisition is disclosed in Note 11.

(vi) In August 2017, the Group completed the acquisition of 100% equity interest in Sam Laboratory Pte. Ltd. ("**Sam Lab**"). Sam Lab was established in 2009 and is in the business of providing medical laboratory services such as standard health screening tests and cancer-related tests through its laboratory. Details of the acquisition is disclosed in Note 11.

(vii) In June 2017, the Group novated the following financial instruments to a related company owned by the shareholders for a consideration of S$1:

(a) all its interest in the S$125,000 convertible bond issued by a third party classified as other investments; and

(b) call option granted by NRF to the Company entitling the Company to acquire NRF interest's in similar convertible bonds.

As this was a transaction with the shareholders of the Group, this disposal was treated as an equity transaction. Differences between the consideration and the fair value of the disposed financial instruments were accounted for as changes to capital reserve.

Consequently, the Group recorded changes to capital reserve of S$293,000 during the year ended 31 December 2017.

(viii) In September 2017, the Company transferred all the shareholdings in an associate, Biolidics Limited (formerly known as Clearbridge Biomedics Pte. Ltd.) to a subsidiary, Clearbridge BSA Pte. Ltd.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

The consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

For all periods up to and including the year ended 31 December 2017, the Group prepared its financial statements in accordance with Financial Reporting Standards in Singapore (FRS). These financial statements for the year ended 31 December 2018 are the first the Group has prepared in accordance with SFRS(I). Refer to Note 2.2 for information on how the Group adopted SFRS(I).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or S$) and all values are rounded to the nearest thousand (S$'000), except when otherwise indicated.

2.2 First-time adoption of Singapore Financial Reporting Standards (International) (SFRS(I))

These financial statements for the year ended 31 December 2018 are the first the Group and the Company have prepared in accordance with SFRS(I). Accordingly, the Group and the Company have prepared financial statements that comply with SFRS(I) applicable as at 31 December 2018, together with the comparative period data for the year ended 31 December 2017, as described in the summary of significant accounting policies. In preparing the financial statements, the Group's and the Company's opening statements of financial position were prepared as at 1 January 2017, the Group and the Company's date of transition to SFRS(I).

The principal adjustments made by the Group on adoption of SFRS(I) and the adoption of the new standards that are effective on 1 January 2018 are disclosed below.

Exemptions applied on adoption of SFRS(I)

SFRS(I) allows first-time adopters exemptions from the retrospective application of certain requirements under SFRS(I). The Group has applied the following exemption:

- The comparative information do not comply with SFRS(I) 9 Financial Instruments or SFRS(I) 7 Financial Instruments: Disclosures to the extent the disclosures relate to items within the scope of SFRS(I) 9.

New accounting standards effective on 1 January 2018

The accounting policies adopted are consistent with those previously applied under FRS except that in the current financial year, the Group has adopted all the SFRS(I) which are effective for annual financial periods beginning on or after 1 January 2018. Except for the impact arising from the exemptions applied as described above and the adoption of SFRS(I) 9 described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

SFRS(I) 9 Financial Instruments

On 1 January 2018, the Group adopted SFRS(I) 9 Financial instruments, which is effective for annual periods beginning on or after 1 January 2018.

The changes arising from the adoption of SFRS(I) 9 have been applied retrospectively. The Group has elected to apply the exemption in SFRS(I) 1 and has not restated comparative information in the year of initial application. The impact arising from SFRS(I) 9 adoption was included in the opening retained earnings at the date of initial application, 1 January 2018. The comparative information was prepared in accordance with the requirements of FRS 39.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 *First-time adoption of SFRS(I) (Continued)*

SFRS(I) 9 Financial Instruments (Continued)

Classification and measurement

SFRS(I) 9 requires debt instruments to be measured either at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Classification of debt instruments depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). Any entity's business model is how an entity manages its financial assets in order to generate cash flows, selling financial assets or both. If a debt instrument is held to collect contractual cash flows, it is measured at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect the assets' contractual cash flows and to sell the assets are measured at FVOCI. Financial assets are measured at FVPL if they do not meet the criteria of FVOCI or amortised cost.

The assessment of the business model and whether the financial assets meet the SPPI requirements was made as of 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018.

The Group has assessed that the convertible loans issued by an associate are debt instruments that do not meet the criteria to be classified as amortised cost or FVOCI, and accordingly continued to be measured at FVTPL when it applies SFRS(I) 9. Derivative financial instruments continued to be measured at FVTPL under SFRS(I) 9. There is no significant impact arising from measurement of these instruments under SFRS(I) 9.

SFRS(I) 9 requires all equity instruments to be carried at fair value through profit or loss, unless an entity chooses on initial recognition, to present fair value changes in other comprehensive income.

For the equity instruments, the Group elects to measure its currently held unquoted equity securities at FVOCI. As a result of the change in measurement of the Group's unquoted equity securities from previously measured at FVTPL to FVOCI, the fair value adjustment of S$735,000 related to the investment that was previously recognised in profit or loss was reclassified from retained earnings to fair value reserve as at 1 January 2018.

The Group has assessed which business model applies to the financial assets held by the Group as at 1 January 2018 and has reclassified its financial instruments into the appropriate categories in accordance with SFRS(I) 9. The effects, before tax impact are as follows:

Financial assets:

			Group		
Measurement category	**FRS 39 carrying amount on 31 December 2017 S$'000**	**Re-classification S$'000**	**SFRS(I) 9 carrying amount on 1 January 2018 S$'000**	**Retained earnings effect on 1 January 2018 S$'000**	**Fair value reserve effect on 1 January 2018 S$'000**
FVTPL	5,028	–	5,028	735	–
Reclassified to FVOCI	–	(1,485)	(1,485)	(735)	–
FVTPL balances and reclassification as at 1 January 2018	5,028	(1,485)	3,543	–	–
FVOCI	–	–	–	–	–
Reclassified from FVTPL	–	1,485	1,485	–	735
FVOCI balances and reclassification at 1 January 2018	–	1,485	1,485	–	735

The initial application of SFRS(I) 9 did not have any reclassification effect to the Company's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 First-time adoption of SFRS(I) (Continued)

SFRS(I) 9 Financial Instruments (Continued)

Impairment

SFRS(I) 9 requires the Group to record expected credit losses on all of its financial assets measured at amortised cost or FVOCI and financial guarantees. The Group previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired. No additional impairment was recognised arising from the adoption of SFRS(I) 9.

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
SFRS(I) 16 Leases	1 January 2019
SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to SFRS(I) 9 *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to SFRS(I) 1-28 *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019
– Amendments to SFRS(I) 3 *Business Combinations*	
– Amendments to SFRS(I) 1-12 *Income Taxes*	
Amendments to SFRS(I) 10 & SFRS(I) 1-28 *Sale or Contribution of Assets between an investor and its Associate or Joint Ventures*	Date to be determined

Except for SFRS(I) 16, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 16 are described below.

SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on statements of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group plans to adopt SFRS(I) 16 retrospectively with the cumulative effect of initial applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

On adoption of SFRS(I) 16, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use at either:

(i) its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the lessee's borrowing rate as of 1 January 2019; or

(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2019.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 *Standards issued but not yet effective (Continued)*

SFRS(I) 16 Leases (Continued)

In addition, the Group plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and apply SFRS(I) 16 to all contracts that were previously identified as leases;

- to apply exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019; and

- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Group has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Group adopts SFRS(I) 16 in 2019.

On adoption of SFRS(I) 16, the Group expects to recognise right-of-use assets of S$800,000 and lease liabilities of S$800,000 for its leases previously classified as operating leases.

2.4 *Basis of consolidation and business combinations*

(a) ***Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- e-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 ***Basis of consolidation and business combinations (Continued)***

(b) ***Business combinations and goodwill***

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquire are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the amount that would be recognised in accordance with the accounting policy for provisions set out in Note 2.16.

Call option to acquire additional interest in a subsidiary

The Group has been granted call option by a shareholder of the subsidiary to acquire the shareholder's interest in the subsidiary.

The call option provides the Group present access to return over all of the shares held by the shareholder. The Group accounts for the effect of the call option as though it owns the shareholder's interest in the subsidiary. The proportion allocated to the Group and non-controlling interests in preparing consolidated financial statements is determined by taking into account the eventual exercise of those potential rights and call options that currently give the entity access to the returns. The Group also recognise a financial liability to the shareholder under the call option.

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THE FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 *Foreign currency*

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) ***Transactions and balances***

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiary companies and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) ***Consolidated financial statements***

For consolidation purpose, the assets and liabilities of foreign operations are translated into Singapore dollar at the rate of exchange ruling at the end of reporting periods and the profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computer equipment	–	3 to 5 years
Furniture and fittings	–	3 to 11 years
Office equipment	–	3 to 11 years
Medical equipment	–	3 to 6 years
Laboratory equipment	–	3 to 5 years
Motor vehicles	–	5 to 8 years
Renovation	–	3 to 11 years
Freehold property	–	50 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 ***Property, plant and equipment (Continued)***

Work-in-progress included in the property, plant and equipment are not depreciated as these assets are not yet available for use.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

2.8 ***Intangible assets***

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets that are not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(a) ***CAP accreditation***

The CAP Laboratory Accreditation ("**CAP Accreditation**") relates to an accreditation attained by a clinical lab certifying that the lab's quality has complied with certain requirements. The useful life of the cap accreditation is estimated to be 2 years as our laboratory is required to undergo re-inspection every two years to maintain the CAP Accreditation.

(b) ***Customer relationships***

Customer relationships acquired in business combinations, including joint operation contracts entered by a subsidiary with hospitals for installation of renal dialysis facilities were initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 9 to 10 years.

(c) ***Favourable rental agreement***

Favourable rental agreement relates to an operating lease in which the terms are favourable to the Group relative to the market terms. The useful life of the favourable rental agreement is 2.75 years.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously.

2.10 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 *Associates*

Investments in associates which are held as part of the Group's investment portfolio are designated upon initial recognition as investments at fair value through profit or loss as their performance is managed and evaluated on a fair value basis. This treatment is permitted by SFRS(I) 1-28 Investments in Associates which allows investments held indirectly by venture capital organisation, or mutual fund, unit trust and similar entities to be recognised and measured at fair value through profit or loss and accounted for in accordance with SFRS(I) 9, with changes in fair value recognised in the profit or loss in the period of change.

2.12 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 *Financial instruments (Continued)*

(a) ***Financial assets (Continued)***

Subsequent measurement

Investment in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investment in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in OCI, changes in fair value are recognised in profit or loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in other comprehensive income for debt instruments is recognised in profit or loss.

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 *Financial instruments (Continued)*

(b) ***Financial liabilities (Continued)***

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.13 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applied a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.15 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis, and includes all costs of purchases and other costs incurred in bringing the inventories to their present location and condition. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 *Employee benefits*

(a) ***Defined contribution plans***

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions are made into separate state managed entities, such as the Central Provident Fund in Singapore, Mandatory Provident Fund in Hong Kong, Social Security Fund in Philippines, Indonesia and United States and Employees Provident Fund in Malaysia under a defined contribution plan, on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) ***Employee share-based payment***

Employees of the Group receive remuneration in the form of equity instruments as consideration for services rendered. The cost of these equity-settled share-based payment transactions with employees is measured by reference to the fair value of the equity instruments at the grant date which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share-based payment reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

(c) ***Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

2.18 *Leases*

As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 ***Leases (Continued)***

As lessee (Continued)

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.19 ***Revenue recognition***

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Rendering of medical and clinical services

The Group renders consultations, clinical treatments, medical tests and aesthetics treatments to patients. Revenue from the provision of consultations, clinical treatments and medical tests are recognised when the services to be provided are completed at a point in time.

Revenue from the provision of aesthetics services, usually sold in bundled packages, are recognised upon completion of the series of distinct services rendered over time based on number of sessions utilised. The allocation of revenue is based on utilisation at the stand-alone selling price.

A contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract liability is recognised as revenue when services are rendered.

Laboratory testing services

The Group provides laboratory testing services to clinics. Revenue is recognised when the services to be provided are completed at a point in time and the amount of revenue is based on contractual price.

Renal care revenue

(a) ***Renal care services***

The Group renders renal care support services to hospitals. Revenue is recognised when the services provided to the hospitals, to enable the hospitals to provide renal services to each patient, is complete.

The amount of revenue recognised is based on the contractual price and invoiced once at every month end to the hospitals.

(a) ***Sales of renal care consumables***

The Group supplies dialysis treatment consumables to the hospitals. Revenue is recognised when the goods are delivered to the hospital and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the contractual price and invoiced once at every month end to the hospitals.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 *Taxes*

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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THE FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 *Taxes (Continued)*

(c) ***Sales tax***

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.21 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.22 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 *Judgements made in applying accounting policies*

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimates, which has the most significant effect on the amounts recognised in the financial statements.

(a) ***Control over investees***

The Group made investments in entities by investing in equity instruments issued by the investees, such as: ordinary shares or preference shares. Investments are also made by holding convertible bond or convertible loans issued by the investees.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

3.1 ***Judgements made in applying accounting policies (Continued)***

(a) ***Control over investees (Continued)***

The Group has carried out assessment in accordance with SFRS(I) 10 to determine if the Group has control over respective investees. Amongst the factors considered by the Group includes: relevant activities of the investees, power to direct the relevant activities through existing rights or potential voting rights, substantive right or protective right conferred to the shareholders in the reserved matters, exposure or rights to variable returns, etc.

The determination of the relevant activities of the investees and whether reserved matters are substantive in nature or protective in nature requires judgement. In making this judgement, the Group evaluates the memorandum and articles of association of the investees as well as the shareholders agreements.

Based on the assessment, the Group has accounted for some of its investees, for which the Group has control, as subsidiaries of the Group. For investees where the Group does not have control but have significant influence, the Group has accounted for those investees as associates.

(b) ***Purchase price allocation review***

The Group has exercised significant judgement regarding the allocation of the purchase price to the assets and liabilities acquired, including judgement made relating to: identification of intangible assets, fair value adjustments to the carrying amount of assets and liabilities of the acquirees during the purchase price allocation review.

Please refer to Section 3.2(b) for the estimate made by the Group during the purchase price allocation review.

3.2 ***Key source of estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) ***Fair value measurement of financial instruments***

The valuation of unquoted financial assets and liabilities involves estimates, assumptions and judgement based upon available information and does not necessarily represent amounts which might ultimately be realised, since such amounts depend on future events. Due to the inherent uncertainty of valuation, the estimated fair values for the unquoted financial instruments may differ significantly from the amounts that might ultimately be realised and the differences could be material.

When the fair values of financial instruments cannot be derived from active markets, fair value is determined using valuation techniques and processes such as market comparable approach and Option Pricing Model ("**OPM**").

These financial instruments include call options granted by a shareholder over investments in associates and other investments.

Inputs into these models are derived from observable markets where possible, but if this is not feasible, significant estimates is required to establish fair values. The significant estimates include projected stock price volatility, discount rates and rate of successful equity financing. Changes in assumptions used in these estimates could affect the fair values of the financial instruments.

The valuation approach, significant estimates used and the sensitivity analysis are disclosed in Note 33.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

3.2 *Key source of estimation uncertainty (Continued)*

(b) ***Purchase price allocation review***

Purchase accounting require extensive use of accounting estimates to allocate the purchase price to the fair market values of the assets and liabilities purchased as well as the fair value of the consideration (i.e. the fair value of the shares issued to acquire the accquirees).

As mentioned in 3.1(b) above, the Group has exercised judgement to determine the fair value adjustments required during the purchase price allocation review. Key assumptions applied are pre-tax discount rate, discount for lack of marketability and estimation of contract life.

(c) ***Impairment of goodwill on consolidation***

As disclosed in Note 16 to the financial statements, the recoverable amounts of the cash generating units, which goodwill have been allocated to, are determined based on value in use calculations. The value in use calculations are based on a discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows. The key assumptions applied in the determination of the value in use, are disclosed and further explained in Note 16 to the financial statements.

The carrying amount of the goodwill on consolidation as at 31 December 2018 is S$22,296,000 (31 December 2017: S$11,002,000, 1 January 2017: Nil).

4. REVENUE

(a) ***Disaggregation of revenue***

	Healthcare systems		Medical clinics/centres		Total revenue	
	2018	2017	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Major product or service lines						
Rendering of medical and clinical services	–	–	2,931	94	2,931	94
Laboratory testing services	520	194	–	–	520	194
Renal care revenue	2,684	–	–	–	2,684	–
	3,204	194	2,931	94	6,135	288
Primary geographical markets						
Singapore	520	194	1,271	16	1,791	210
Philippines	–	–	1,198	–	1,198	–
Indonesia	2,684	–	–	–	2,684	–
Hong Kong, Malaysia and others	–	–	462	78	462	78
	3,204	194	2,931	94	6,135	288
Timing of transfer of goods or services						
At a point in time	3,204	194	2,480	94	5,684	288
Over time	–	–	451	–	451	–

4. REVENUE (CONTINUED)

(b) ***Methods used in recognising revenue***

Recognition of revenue from aesthetics packages

For the bundled package sale of aesthetic services where the Group satisfies its performance obligations over time, management has determined that an output method provides a faithful depiction of the Group's performance in transferring control of the services to the customers, as it reflects the direct measurements of the value to the customer of services transferred to date relative to the remaining services promised under the contract. The measure of progress is based on the number of sessions utilised as a percentage of the total sessions sold in a package.

(c) ***Receivables and contract liabilities***

Information about receivables and contract liabilities from contract with customers is disclosed as follows:

	Group		
	31.12.2018	**31.12.2017**	**1.1.2017**
	S$'000	**S$'000**	**S$'000**
Receivables from contracts with customers (Note 19)	**2,050**	71	25
Contract liabilities	**473**	–	–

Contract liabilities primarily relate to the Group's obligation to transfer services to customers for which the Group has received advances from customers for sale of aesthetic services. Contract liabilities are recognised as revenue as the Group performs under the contract.

During the year, changes in contract liabilities due to business combinations amounted to S$283,000 (2017: Nil). There were no contract liabilities balance brought forward at the beginning of the year that was recognised as income in the year.

5. EMPLOYEES BENEFITS EXPENSE

	Group	
	2018	**2017**
	S$'000	**S$'000**
Directors' remuneration	**325**	306
Salaries and bonuses	**5,115**	2,754
Defined contribution plan	**524**	177
Share-based payment – equity settled	**1,214**	–
Others	**237**	262
	7,415	3,499

<u>Executive share-based payment</u>

On 18 November 2017, the Company entered into the Service Agreement with the Executive Director and CEO (the "**Executive**") of the Company where a performance bonus is granted in the form of cash and shares to the Executive. The term of the service agreement is three years.

1. Performance bonus in the form of cash or shares (the "**First Performance Bonus**") will vest if the following conditions are met:

   a. where the Operating Earnings Before Interest, Tax, Depreciation and Amortisation ("**EBITDA**") is less than or equal to S$7,500,000, 10% on the Group's Operating EBITDA to be paid either in cash and/or Shares; and

   b. where the Operating EBITDA is more than S$7,500,000, 5% on such amount of the Group's Operating EBITDA in excess of S$7,500,000 plus S$750,000, to be paid either in cash and/or Shares.

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5. EMPLOYEES BENEFITS EXPENSE (CONTINUED)

Executive share-based payment (Continued)

2. Performance bonus in the form of shares (the "**Second Performance Bonus**") will vest upon the first occurrence of the Company achieving the following respective milestones:

   a. Number of shares equivalent to 1% of the then current share capital of the Company, shall be issued to the Executive in a single tranche credited as fully paid if the first milestone as described below is met:

      i. an Operating EBITDA of S$2,000,000 or more for the financial year; or

      ii. a daily market capitalisation of S$150,000,000 or more for every day over a consecutive three month period and the volume weighted average price of the Company's shares calculated over every trading day being more than 15% above the issued price at IPO for every day over that consecutive three month period.

   b. Number of shares equivalent to 2% of the then current share capital of the Company, shall be issued to the Executive in a single tranche credited as fully paid if the second milestone as described below is met:

      i. an Operating EBITDA of S$7,500,000 or more for the financial year is met; or

      ii. a daily market capitalisation of S$300,000,000 or more for every day over a consecutive three month period and the volume weighted average price of the Company's shares calculated over every trading day being more than 25% above the issued price at IPO for every day over that consecutive three month period.

   c. Number of shares equivalent to 2% of the then current share capital of the Company, shall be issued to the Executive in a single tranche credited as fully paid if the third milestone as described below is met:

      i. an Operating EBITDA of S$15,000,000 or more for the financial year is met; or

      ii. a daily market capitalisation of S$600,000,000 or more for every day over a consecutive three month period and the volume weighted average price of the Company's shares calculated over every trading day being more than 50% above the issued price at IPO for every day over that consecutive three month period.

   For the avoidance of doubt, the Operating EBITDA for the first milestone, second milestone and third milestone are achieved on a cumulative basis. Hence unless the previous milestones have been paid, the previous milestones shall be payable in the event the second or third milestones are met.

The contractual life of the Second Performance Bonus is three years and if the conditions are not met, the rights to the issuance of shares will lapse. There are no cash settlement alternatives.

Fair value of shares granted

The fair value of shares granted is estimated at the date of the grant using a Monte Carlo simulation model, taking into account the terms and conditions upon which the options were granted. The model simulates the probability of meeting the Operating EBITDA and the Market Capitalisation targets. It takes into account the management's assumption of the Group's forecast and the share price fluctuation covariance of the Company to predict the distribution of the share performance.

5. **EMPLOYEES BENEFITS EXPENSE (CONTINUED)**

Fair value of shares granted (Continued)

The following table lists the key inputs to the model used for share-based payment for the year ended 31 December 2018 (2017: Nil):

Dividend (%)	–
Expected volatility (%)	42.9
Risk-free interest rate (%)	1.7
Share price at the grant date (S$)	0.28

The expense recognised in profit or loss for performance share payment during the year is S$1,214,000 (2017: Nil).

During the year, the milestone for the second performance bonus was met. Accordingly, 4,810,000 shares were earned by the Executive and will be issued in 2019.

6. **OTHER INCOME**

	Group	
	2018	**2017**
	S$'000	**S$'000**
Interest income from:		
Financial assets measured at amortised cost		
– Bank deposits	**85**	17
– Loan to a third party	**65**	–
Financial assets at fair value through profit or loss		
– Convertible loans issued by an associate	**123**	240
Grant income	**132**	30
Licensing income	**136**	–
Gain on disposal of property, plant and equipment	**40**	3
Others	**55**	56
	636	346

Grant income of the Group for the year ended 31 December 2018 mainly relates to grant received for the Group's human capability, strategic brand and marketing development.

Licensing income of the Group for the year ended 31 December 2018 mainly relates to licensing of the Group's patents held under the strategic investments segment to third parties.

7. **FINANCE COSTS**

	Group	
	2018	**2017**
	S$'000	**S$'000**
Interest expense on:		
– Call options	**240**	240
– Bank loans	**85**	10
– Finance lease liability	**4**	–
	329	250

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

8. LOSS BEFORE TAXATION

The following items have been included in arriving at loss before taxation:

	Group	
	2018	**2017**
	S$'000	**S$'000**
Audit fees – auditors of the Company	**290**	190
Non-audit fees – auditors of the Company	**42**	380
Fair value adjustment on contingent consideration	**194**	–
Professional fees	**2,535**	1,390
Plant and equipment written off	**–**	23
Intangible assets written off (Note 15)	**–**	151
Operating lease expense (Note 31)	**665**	324
Depreciation expense	**1,018**	88
Amortisation expense	**81**	23
Share-based payment – equity settled (Note 5)	**1,214**	–

9. INCOME TAX EXPENSE/(CREDIT)

The major components of income tax expense/(credit) for the years ended 31 December 2018 and 2017 are:

	Group	
	2018	**2017**
	S$'000	**S$'000**
Current income tax		
– Current income taxation	**156**	1
– Under provision in respect of previous years	**19**	–
Deferred tax	**(17)**	(2,982)
	158	(2,981)

Domestic income tax for Singapore companies is calculated at 17% (2017: 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Relationship between tax expense/(credit) and accounting loss

	Group	
	2018	**2017**
	S$'000	**S$'000**
Loss before taxation	**(18,727)**	(10,906)
Tax at the domestic rates applicable to profits in the countries where the Group operates	**(3,303)**	(1,907)
Effect of expenses not deductible	**2,511**	650
Effect of income not subject to taxation	**(43)**	–
Effect of tax incentives	**(101)**	–
Utilisation of unutilised tax losses	**–**	(360)
Deferred tax assets not recognised	**1,258**	1,410
Reversal of temporary differences on fair value of investments and derivative which were disposed to shareholders	**–**	(2,773)
Under provision in respect of previous years	**19**	–
Group relief	**(183)**	–
Others	**–**	(1)
Income tax expense/(credit)	**158**	(2,981)

9. INCOME TAX EXPENSE/(CREDIT) (Continued)

A loss transfer system of group relief (known as "group relief system") for companies was introduced in Singapore with effect from Year of Assessment 2003. Under the group relief system, a company belonging to a group may transfer its current year unabsorbed capital allowances, current year unabsorbed trade losses and current year unabsorbed donations (loss items) to another company belonging to the same group, to be deducted against the assessable income of the latter company.

On 31 December 2018, the Company intends to receive unabsorbed tax losses of S$1,076,000 (2017: Nil) from its subsidiaries under the group relief system, subject to compliance with the relevant rules and procedures and agreement of Inland Revenue Authority of Singapore ("IRAS").

10. LOSS PER SHARE

Basic loss per share is calculated by dividing loss for the year, net of tax, attributable to the owners of the Company by the weighted average number of shares held by the owners of the Company.

Diluted loss per share is the same as basic earnings per share as there were no potential dilutive ordinary shares existing during the respective financial years.

	Group	
	2018 S$'000	**2017 S$'000**
Loss for the year attributable to owners of the Company (S$,000)	**(18,448)**	(7,470)
Weighted average number of shares ('000)	**487,125**	320,381[(1)]

(1) As approved by shareholders of the Company in an extraordinary general meeting held on 20 November 2017, every one share in the capital of the Company was sub-divided into 880 shares (the "**Share Split**"). Accordingly, the number of outstanding shares has been adjusted for the Share Split assuming it had occurred on 1 January 2017, for the purpose of the loss per share computation.

11. INVESTMENTS IN SUBSIDIARIES

		Company	
	31.12.2018 S$'000	**31.12.2017 S$'000**	**1.1.2017 S$'000**
Unquoted shares, at cost	33,181	11,245	372
Issuance of shares for acquisition of subsidiaries	–	21,936	–
	33,181	33,181	372

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11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) ***Composition of the Group***

The Group has the following investments in subsidiaries at the end of the reporting period:

Name of subsidiary	Principal activities (Country of incorporation and operations)	Proportion of ownership interest		
		31.12.2018 %	31.12.2017 %	1.1.2017 %
Held by the Company				
Clearbridge Bioloc Pte. Ltd.(2)	Research and development on biotechnology, life and medical science (Singapore)	**–**	–	45
Clearbridge Biophotonics Pte. Ltd.(3)(4)	Manufacturing of optical instrument and photographic equipment (Singapore)	**75**	75	75
Clearbridge Nanomedics Pte. Ltd.(2)	Manufacturing of biological products, medical disposals and surgical supplies (Singapore)	**–**	–	54
Clearbridge Vitalsigns Pte. Ltd.(2)	Research and development on biotechnology, life and medical science (Singapore)	**–**	–	48
Clearbridge Technologies Pte. Ltd.(1)	Research and development on chemicals and manufacturing of paints, varnishes and coating (Singapore)	**–**	–	53
Clearbridge BSA Pte. Ltd.(4)	Investment holding (Singapore)	**100**	100	100
Clearbridge Lifestyle Pte. Ltd. (formerly known as Clearbridge Lifestyle Asia Pte. Ltd.(4)	Management consultancy for healthcare organisation (Singapore)	**100**	100	–
Clearbridge Assays Pte. Ltd.(4)	Investment holding (Singapore)	**100**	100	–
Clearbridge Medical Group Pte. Ltd.(4)	Clinics/centres and other general medicine services (Singapore)	**100**	100	–
Sam Laboratory Pte. Ltd.(4)	Medical laboratories (Singapore)	**100**	100	–

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) ***Composition of the Group (Continued)***

Name of subsidiary	**Principal activities (Country of incorporation and operations)**	**Proportion of ownership interest**		
		31.12.2018	**31.12.2017**	**1.1.2017**
		%	**%**	**%**
Singapore Genome Medicine Pte. Ltd.(2)	Research and experimental development on biotechnology, life and medical science (Singapore)	–	–	100
Clearbridge mFluidics Pte. Ltd.(1)	Research and development on biotechnology, life and medical science (Singapore)	–	–	70
Held by Clearbridge Medical Group Pte. Ltd.				
Clearbridge Medical Hong Kong Corporation Limited(4)	Biotechnology and life sciences (Hong Kong)	**100**	100	–
Clearbridge Medical Asia Pte. Ltd.(4)	Clinics/centres and other general medicine services (Singapore)	**100**	100	–
Insight Medical Australia Pty. Ltd.(6)	Dormant (Australia)	**100**	100	–
Held by Clearbridge Assays Pte. Ltd.				
Clearbridge Health USA Inc.(6)	Dormant (USA)	**100**	100	–
Held by Clearbridge Medical Asia Pte. Ltd.				
Clearbridge Medica Sdn Bhd(6)	Clinics/centres and other general medical services. (Malaysia)	**100**	100	–
Clearbridge Medicentre Private Limited(6)	Clinics/centres and other general medical services. Providing consultancy and sales of specialised and critical care medical services and devices. (India)	**99.99**	99.99	–

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11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) ***Composition of the Group (Continued)***

Name of subsidiary	Principal activities (Country of incorporation and operations)	Proportion of ownership interest		
		31.12.2018 %	31.12.2017 %	1.1.2017 %
Clearbridge Health (Philippines) Inc.(5)	Clinics/centres and other general medical services. (Philippines)	**99.99**	99.99	–
Medic Laser Private Limited(4)	Clinics/centres and other general medical services. (Singapore)	**85**	–	–
Medic Surgical Private Limited(4)	Clinics/centres and other general medical services. (Singapore)	**85**	–	–
PT Tirta Medika Jaya(7)	Supply of medical consumable related to haemodialysis activity (Indonesia)	**55**	–	–
PT Clearbridge Health Indonesia(6)(8)	Dormant (Indonesia)	**100**	–	–
Held by Clearbridge Medical Hong Kong Corporation Limited				
Shanghai Kai Zhun Health Management Co. Ltd. (上海凯准健康管理有限公司)(6)	Distribution of medical devices and related services (China)	**100**	100	–
Held by Clearbridge Biophotonics Pte. Ltd.				
Clearbridge Biophotonics, Inc.(3)(6)	Manufacturing of optional instrument and photographic equipment (USA)	**75**	75	75
Clearbridge Biophotonics, FPM Inc.(3)(4)	Biomedical image system research (USA)	**75**	75	–
Held by Clearbridge Health (Philippines) Inc.				
Clearbridge Medical Philippines, Inc. (formerly known as Marzan Health Care Inc.)(5)	Clinics/centres and other general medical services (Philippines)	**65**	–	–

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) ***Composition of the Group (Continued)***

The Group has the following investments in subsidiaries at the end of the reporting period: (Continued)

Name of subsidiary	Principal activities (Country of incorporation and operations)	Proportion of ownership interest 31.12.2018 %	31.12.2017 %	1.1.2017 %
Held by PT Clearbridge Health Indonesia				
PT Clearbridge Medical Indonesia[(6)(8)]	Dormant (Indonesia)	**49**	–	–

(1) In 2017, these subsidiaries were disposed of, as disclosed in Note 1.2.

(2) In 2017, these entities were deregistered, as disclosed in Note 1.2.

(3) The ownership interest of these entities includes those held by a shareholder of the subsidiary, who has granted call option to the Group to acquire the shareholder's interest in these subsidiaries. Accordingly, the Group recognised a financial liability to the shareholder under the call option.

(4) Audited by Ernst & Young LLP, Singapore for statutory audit and/or group consolidation purpose.

(5) Audited by member firms of EY Global in the respective countries.

(6) Not required to perform statutory audit and not material to the group.

(7) The ownership interest of this subsidiary includes those held by a non-controlling shareholder who has 6% of the issued share capital in the subsidiary. The shareholder's interest is pledged for a convertible bond subscribed by Clearbridge Medical Asia Pte. Ltd. ("**CBMA**") and exchangeable at CBMA's option into shares representing 6% equity interest in the subsidiary. The Group accounts for the effect of convertible bond as though it owns the shareholder's interest in the subsidiary. The proportion allocated to the Group and non-controlling interest is determined by taking into account the eventual exercise of the convertible bond that currently gives the Group access to the returns.

(8) These subsidiaries were incorporated in 2018.

(b) ***Interest in subsidiaries with material non-controlling interest (NCI)***

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI	Profit/(loss) allocated to NCI during the reporting period S$'000	Accumulated NCI at the end of the reporting period S$'000	Dividends paid to NCI S$'000
31.12.2018					
Clearbridge Biophotonics Pte. Ltd. and its subsidiaries	Singapore and USA	25%	(452)	(1,749)	–
Clearbridge Medical Philippines, Inc. (formerly known as Marzan Health Care Inc.)	Philippines	35%	(230)	574	–
PT Tirta Medika Jaya	Indonesia	45%	131	864	–
31.12.2017					
Clearbridge Biophotonics Pte. Ltd. and its subsidiaries	Singapore and USA	25%	(730)	(1,297)	–
1.1.2017					
Clearbridge Biophotonics Pte. Ltd. and its subsidiaries	Singapore and USA	25%	(922)	(1,116)	–

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11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) ***Interest in subsidiaries with material non-controlling interest (NCI) (Continued)***

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised statements of financial position

	Clearbridge Biophotonics Pte. Ltd. and its subsidiaries			Clearbridge Medical Philippines, Inc.	PT Tirta Medika Jaya
	31.12.2018	31.12.2017	1.1.2017	31.12.2018	31.12.2018
	S$'000	S$'000	S$'000	S$'000	S$'000
Current assets	**76**	53	1,488	**1,134**	**2,464**
Non-current assets	**9**	–	10	**2,199**	**782**
Current liabilities	**(4,773)**	(2,880)	(2,193)	**(785)**	**(1,293)**
Non-current liabilities	**(4,402)**	(4,495)	(3,709)	**–**	**(35)**
Net (liabilities)/assets	**(9,090)**	(7,322)	(4,404)	**2,548**	**1,918**

Summarised statements of comprehensive income

	Clearbridge Biophotonics Pte. Ltd. and its subsidiaries		Clearbridge Medical Philippines, Inc.	PT Tirta Medika Jaya
	2018	2017	2018	2018
	S$'000	S$'000	S$'000	S$'000
Total income	**264**	–	**1,103**	**2,710**
Total expenses	**(1,957)**	(3,115)	**(1,763)**	**(2,304)**
Income tax expense	**(4)**	–	**–**	**(87)**
(Loss)/income for the year	**(1,697)**	(3,115)	**(660)**	**319**
Other comprehensive income				
Exchange difference on translation of foreign operations	**(94)**	197	**–**	**(27)**
Total comprehensive income for the year	**(1,791)**	(2,918)	**(660)**	**292**

Other summarised information

	Clearbridge Biophotonics Pte. Ltd. and its subsidiaries		Clearbridge Medical Philippines, Inc.	PT Tirta Medika Jaya
	2018	2017	2018	2018
	S$'000	S$'000	S$'000	S$'000
Net cash outflow from operating activities	**(1,640)**	(1,441)	**(387)**	**(411)**
Net cash outflow from investing activities	**(10)**	–	**(437)**	**(211)**
Net cash inflow/(outflow) from financing activities	**1,767**	(7)	**812**	**1,050**
Net cash inflow/(outflow)	**117**	(1,448)	**(12)**	**428**

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) ***Acquisition of Clearbridge Medical Philippines, Inc.***

On 17 January 2018, the Group completed the acquisition of 65% equity interest in Clearbridge Medical Philippines, Inc. (formerly known as Marzan Health Care Inc.) ("**CBMPI**"). CBMPI was established in 2015 and is in the business of operating an integrated ambulatory medical centre in Quezon city, branded the Clearbridge Medical Centre (formerly known as Marzan Health Care Diagnostic Centre). The fair values of the identifiable assets and liabilities of CBMPI as at the acquisition date were:

	S$'000
Property, plant and equipment	2,260
Trade and other receivables	65
Inventories	1
Cash and cash equivalents	75
	2,401
Trade and other payables	(106)
Total identifiable net assets at fair value	2,295
Non-controlling interest measured at non-controlling interest's proportionate share of CBMPI's net identifiable assets	(804)
Goodwill arising from acquisition	268
	1,759
Consideration transferred for the acquisition of CBMPI:	
Cash paid	1,267
Deferred cash settlement	349
Contingent consideration recognised as at acquisition date	143
	1,759
Effect of the acquisition of CBMPI on cash flows:	
Total consideration for 65% equity interest acquired	1,759
Less: non-cash consideration	(492)
Consideration settled in cash	1,267
Less: cash and cash equivalents of subsidiary acquired	(75)
Net cash outflow on acquisition	(1,192)

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11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) *Acquisition of Clearbridge Medical Philippines, Inc. (Continued)*

Contingent consideration arrangement

As part of the purchase agreement with the previous owner of CBMPI, a contingent consideration has been agreed. Additional cash payments shall be payable to the previous owner of CBMPI of:

(i) PHP3,481,000 or S$91,000, if the entity generates earnings before interest, tax, depreciation and amortisation ("**EBITDA**") of not less than PHP3,600,000 or S$94,000 for the year ending 31 December 2019; and

(ii) PHP3,481,000 or S$91,000, if the entity generates EBITDA of not less than PHP3,600,000 or S$94,000 for the year ending 31 December 2020.

As at the acquisition date, the fair value of the contingent consideration was estimated at PHP5,505,000 or S$143,000.

As at 31 December 2018, based on management's review, the key performance indicators of CBMPI continue to show that the targets are probable due to an expansion of the business and revenue growth. Accordingly, the fair value of the contingent consideration has been adjusted to reflect this development. The fair value of the contingent consideration as at 31 December 2018 has been increased by S$12,000 to S$155,000. The fair value of the contingent consideration was calculated by applying the income approach using the probability-weighted payout approach and at a discount rate of 8.3%. This fair value adjustment of contingent consideration is recognised in the "other operating expenses" line item in the Group's statement of comprehensive income for the year ended 31 December 2018.

Transaction costs

Transaction costs related to the acquisition of S$49,000 have been recognised in the "other operating expenses" line item in the Group's statement of comprehensive income for the year ended 31 December 2018.

Trade and other receivables

Trade and other receivables acquired comprise trade receivables and deposits with a fair value which is also the gross amount of S$48,000 and S$17,000, respectively. It is expected that the full contractual amount of receivables can be collected.

Goodwill arising from acquisition

The goodwill of S$268,000 represents anticipated value arising from synergy created from the CBMPI's network within the medical industry in the Philippines.

Impact of the acquisition on profit or loss

From the acquisition date, CBMPI has contributed S$1,065,000 of revenue and S$659,000 to the Group's loss for the year. If the business combination had taken place at the beginning of the reporting period, the Group's revenue would have been S$6,137,000 and the Group's loss, net of tax, would have been S$18,886,000.

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(d) *Acquisition of Medic Laser Private Limited and Medic Surgical Private Limited*

On 2 April 2018, the Group completed the acquisition of 85% equity interest in Medic Laser Private Limited ("**MLPL**") and Medic Surgical Private Limited ("**MSPL**"), respectively. MLPL and MSPL were established in 2012 and 2011, respectively and are in the business of providing aesthetic, surgical and general medical services in Singapore. The fair values of the identifiable assets and liabilities of MLPL and MSPL as at the acquisition date were:

	S$'000
Property, plant and equipment	327
Intangible assets	99
Trade and other receivables	152
Inventories	60
Cash and cash equivalents	510
	1,148
Trade and other payables	(204)
Contract liabilities	(283)
Deferred tax liabilities	(17)
Income tax payable	(63)
Total identifiable net assets at fair value	581
Non-controlling interest measured at non-controlling interest's proportionate share of MLPL and MSPL's net identifiable assets	(87)
Goodwill arising from acquisition	6,971
	7,465
Consideration transferred for the acquisition of MLPL and MSPL:	
Cash paid	2,000
Fair value of the newly issued shares of the Company	2,885
Contingent consideration recognised as at acquisition date	2,580
	7,465
Effect of the acquisition of MLPL and MSPL on cash flows:	
Total consideration for 85% equity interest acquired	7,465
Less: non-cash consideration	(5,465)
Consideration settled in cash	2,000
Less: cash and cash equivalents of subsidiary acquired	(510)
Net cash outflow on acquisition	(1,490)

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11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(d) ***Acquisition of Medic Laser Private Limited and Medic Surgical Private Limited (Continued)***

Equity instruments issued as part of consideration transferred

In connection with the acquisition of 85% equity interest in MLPL and MSPL, the Company issued 6,337,136 ordinary shares with a fair value of S$0.46 each. The fair value of these shares has been determined by management, with the assistance of an independent valuer, based on the volume weighted average share price of the Company as at the acquisition date, and took into consideration the discount for lack of marketability on the period of moratorium.

Contingent consideration arrangement

As part of the purchase agreement with the previous owner of MLPL and MSPL, a contingent consideration has been agreed. Additional cash payments shall be payable to the previous owner of MLPL and MSPL as follows:

(i) Tranche A up to a maximum of S$2,000,000, if the entities generate combined EBITDA of S$828,000 for the year ended 31 December 2018; and

(ii) Tranche B up to a maximum of S$3,000,000, less Tranche A payout amount, if the entities generate a cumulative combined EBITDA of S$2,484,000 for the 3 years period ending 31 December 2020.

As at the acquisition date, the fair value of the contingent consideration was estimated at S$2,580,000.

As at 31 December 2018, the key performance indicator of MLPL and MSPL shows that (i) the target has been met and the achievement of target (ii) continue to be probable based on historical performance of the subsidiaries. The fair value of the contingent consideration as at 31 December 2018 has been increased by S$159,000 to S$2,739,000. The fair value of the contingent consideration was calculated by applying the income approach using the probability-weighted payout approach and at a discount rate of 8.3%. This fair value adjustment of contingent consideration is recognised in the "other operating expenses" line item in the Group's statement of comprehensive income for the year ended 31 December 2018.

Transaction costs

Transaction costs related to the acquisition of S$98,000 have been recognised in the "other operating expenses" line item in the Group's statement of comprehensive income for the year ended 31 December 2018.

Trade and other receivables

Trade and other receivables acquired comprise trade receivables and deposits with a fair value which is also the gross amount of S$142,000 and S$10,000, respectively. It is expected that the full contractual amount of receivables can be collected.

Goodwill arising from acquisition

The goodwill of S$6,971,000 represents anticipated value from the synergy created from the MLPL and MSPL which will be achieved by deploying other wellness products and laboratory testing services within the Group through the expanded network of clinics, particularly in medical aesthetics.

Impact of the acquisition on profit or loss

From the acquisition date, MLPL and MSPL has contributed S$1,174,000 of revenue and S$382,000 profits to the Group for the year. If the business combination had taken place at the beginning of the reporting period, the Group's revenue would have been S$6,500,000 and the Group's loss, net of tax, would have been S$18,794,000.

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(e) ***Acquisition of PT Tirta Medika Jaya***

On 23 April 2018, the Group completed the acquisition of 55% equity interest in PT Tirta Medika Jaya ("**PT TMJ**"). PT TMJ was established in 2013 and is in the business of providing renal care services by partnering with medical device equipment manufacturers and hospitals in Indonesia. The provisional fair values of the identifiable assets and liabilities of PT TMJ as at the acquisition date were:

	S$'000
Property, plant and equipment	504
Intangible assets	141
Prepaid taxes	350
Trade and other receivables	965
Inventories	130
Cash and cash equivalents	159
	2,249
Trade and other payables	(586)
Deferred tax liabilities	(35)
Total identifiable net assets at provisional fair value	1,628
Non-controlling interest measured at non-controlling interest's proportionate share of PT TMJ's net identifiable assets	(733)
Provisional goodwill arising from acquisition	4,055
	4,950
Consideration transferred for the acquisition of PT TMJ:	
Cash paid	3,300
Provisional fair value of the newly issued share of the Company	888
Provisional contingent consideration recognised as at acquisition date	762
	4,950
Effect of the acquisition of PT TMJ on cash flows:	
Total consideration for 55% equity interest acquired	4,950
Less: non-cash consideration	(1,650)
Consideration settled in cash	3,300
Less: cash and cash equivalents of subsidiary acquired	(159)
Net cash outflow on acquisition	(3,141)

Equity instruments issued as part of consideration transferred

In connection with the acquisition of 55% equity interest in PT TMJ, the Company issued 1,973,566 ordinary shares with a fair value of S$0.45 each. The fair value of these shares has been determined based on the volume weighted average share price of the Company as at the acquisition date, and took into consideration the discount for lack of marketability on the period of moratorium.

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11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(e) ***Acquisition of PT Tirta Medika Jaya (Continued)***

Contingent consideration arrangement

As part of the purchase agreement with the previous owner of PT TMJ, a contingent consideration has been agreed. Additional cash payments shall be payable to the previous owner of PT TMJ as follows:

(i) Tranche A amount of S$370,000, if the entity generates EBITDA of not less than S$1,000,000 for the year ended 31 December 2018;

(ii) Tranche B amount of S$740,000, less Tranche A payout amount, if the entity generates a cumulative EBITDA of not less than S$2,000,000 for the 2 years period ending 31 December 2019; and

(iii) Tranche C amount of S$1,100,000, less Tranche A and Tranche B payout amounts, if the entity generates a cumulative EBITDA of not less than S$3,000,000 for the 3 years period ending 31 December 2020.

As at the acquisition date, the fair value of the contingent consideration was estimated at S$762,000.

As of 31 December 2018, the key performance indicators of PT TMJ show clearly that target (i) has not been met, however the achievement of target (ii) and (iii) continue to be probable due to an expansion of the business in Indonesia. The fair value of the contingent consideration as at 31 December 2018 has been increased by S$23,000 to S$785,000. The fair value of the contingent consideration was calculated by applying the income approach using the probability-weighted payout approach and at a discount rate of 16%. This fair value adjustment of contingent consideration is recognised in the “other operating expenses” line item in the Group’s statement of comprehensive income for the year ended 31 December 2018.

Transaction costs

Transaction costs related to the acquisition of S$152,000 have been recognised in the “other operating expenses” line item in the Group’s statement of comprehensive income for the year ended 31 December 2018.

Trade and other receivables

Trade and other receivables acquired comprise trade receivables and other receivables with a fair value which is also the gross amount of S$876,000 and S$89,000, respectively. It is expected that the full contractual amount of receivables can be collected.

Goodwill arising from acquisition

The goodwill of S$4,055,000 represents anticipated value arising from synergy created from the PT TMJ’s expertise in operating and managing renal dialysis facilities and its network of hospital partners in Indonesia.

Impact of the acquisition on profit or loss

From the acquisition date, PT TMJ has contributed S$2,684,000 of revenue and S$319,000 profits to the Group’s for the year. If the business combination had taken place at the beginning of the reporting period, the Group’s revenue would have been S$7,135,000 and the Group’s loss, net of tax, would have been S$18,788,000.

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(f) ***Acquisition of Clearbridge Medical Group Pte. Ltd. in 2017***

As disclosed in Note 1.2, the Group completed the acquisition of CBMG in May 2017. The fair values of the identifiable assets and liabilities of CBMG as at the acquisition date were:

	S$'000
Non-current assets	110
Trade and other receivables	214
Inventories	2
Cash and cash equivalents	10,651
	10,977
Trade and other payables	(162)
Total identifiable net assets at fair value	10,815
Goodwill arising from acquisition	9,000
	19,815
Consideration transferred for the acquisition of CBMG:	
Fair value of the newly issued shares of the Company	19,815

The Group has settled the consideration by issuing the Company's shares to the vendors. The fair value of the consideration has been determined by management, with the assistance of an independent valuer, based on the fair value of the Company as at the date of issuance of shares.

Trade and other receivables

Trade and other receivables acquired comprised trade receivables, other receivables and amounts due from related parties with a fair value which was also the gross amount of S$3,000, S$87,000 and S$124,000 respectively. It was expected that the full contractual amount of receivables can be collected.

Goodwill arising from acquisition

The goodwill of S$9,000,000 represented anticipated value from the synergy created from the CBMG's network within the medical industry.

Impact of the acquisition on profit or loss

From the acquisition date, CBMG has contributed S$6,800 of revenue and S$2,109,000 to the Group's loss for the year ended 31 December 2017. If the business combination had taken place on 1 January 2017, the Group's revenue would have been S$291,000 and the Group's loss, net of tax, would have been S$8,607,000.

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11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(g) ***Acquisition of Sam Laboratory Pte. Ltd. in 2017***

As disclosed in Note 1.2, the Group completed the acquisition of Sam Lab in August 2017. The fair values of the identifiable assets and liabilities of Sam Lab as at the acquisition date were:

	S$'000
Non-current tangible assets	7
Intangible assets	122
Trade and other receivables	119
Inventories	14
Cash and cash equivalents	80
	342
Trade and other payables	(204)
Non-current liabilities	(20)
Total identifiable net assets at fair value	118
Goodwill arising from acquisition	2,002
	2,120
Consideration transferred for the acquisition of Sam Lab:	
Fair value of the newly issued shares of the Company	2,120

The Group has settled the consideration by issuing the Company's shares to the vendors. The fair value of the consideration has been determined by management, with the assistance of an independent valuer, based on the fair value of the Company

Trade and other receivables

Trade and other receivables acquired comprised trade receivables, prepayments, security deposits, accrued revenue and other debtors with a fair value of S$7,900, S$1,700, S$40,600, S$7,600 and S$61,000. The gross amounts of the receivables are S$9,000, S$1,700, S$40,600, S$7,600 and S$61,000. At the acquisition date, S$1,100 related to trade receivables were not expected to be collected. It was expected that the full contractual amount of the security deposits, accrued revenue and other debtors can be collected.

Goodwill arising from acquisition

The goodwill of S$2,002,000 represented anticipated value arising from synergy created from the Sam Lab's expertise in the provision of laboratory services.

Impact of the acquisition on profit or loss

From the acquisition date, Sam Lab has contributed S$193,000 of revenue and S$213,000 to the Group's loss for the year ended 31 December 2017. If the business combination had taken place on 1 January 2017, the Group's revenue would have been S$642,000 and the Group's loss, net of tax, would have been S$8,264,000.

12. INVESTMENTS IN ASSOCIATES

	Group			Company		
	31.12.2018 S$'000	**31.12.2017 S$'000**	**1.1.2017 S$'000**	**31.12.2018 S$'000**	**31.12.2017 S$'000**	**1.1.2017 S$'000**
Investment designated as FVTPL						
Quoted equity shares						
– Ordinary shares	**13,230**	–	–	**–**	–	–
Unquoted equity shares						
– Ordinary shares	**–**	6,348	15,104	**–**	–	11,755
– Preference shares	**–**	8,704	13,070	**–**	–	9,357
	13,230	15,052	28,174	**–**	–	21,112

Changes in fair value amounting to a loss of S$4,020,000 (2017: loss of S$1,818,000) have been included in profit or loss for the year.

In connection with a fundraising exercise undertook by the Group's associate, Biolidics Limited (formerly known as Clearbridge Biomedics Pte. Ltd.) ("**Biolidics**") on 19 July 2018 (the "Biolidics Fundraising Exercise"), the Group's 126,703 preference shares representing 9.99% equity interest in Biolidics were converted into ordinary shares of Biolidics at the conversion ratio of one ordinary share for one preference share.

On the same day, pursuant to the Biolidics Fundraising Exercise, the Group converted the convertible loans issued by Biolidics into 63,263 ordinary shares representing 4.99% equity interest in Biolidics. The Group transferred the convertible loans at a fair value of S$2,199,000 from other investments to investments in associates (Note 17).

The ordinary shares of Biolidics were listed on the Catalist Board of Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 19 December 2018.

Following the completion of the initial public offering of Biolidics, the Group's direct interests in Biolidics decreased from 40% to 24.80%. The direct interest of 24.80% is recognised as investments in associates as at 31 December 2018.

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12. INVESTMENTS IN ASSOCIATES (CONTINUED)

Details of the Group's associates are as follows:

Name of associate	Principal activities (Country of incorporation and operations)	Proportion of ownership interest		
		31.12.2018 %	31.12.2017 %	1.1.2017 %
Biolidics Limited (formerly known as Clearbridge Biomedics Pte. Ltd.)[3]	Research and development of biotechnology, life and medical science (Singapore)	**25**	40	40
Treebox Solutions Pte. Ltd.[1]	Hardware consultancy including system consultancy, development of other software and programming activities (Singapore)	**–**	–	25
Singapore Institute of Advanced Medicine Holdings Pte. Ltd.[2]	Investment holding company that includes subsidiaries providing general medical services, and digital imaging service (Singapore)	**–**	–	5

(1) In 2017, this entity was disposed of, as discussed in Note 1.2

(2) In 2017, investment in Singapore Institute of Advanced Medicine Holdings Pte. Ltd. was reclassified to other investment because the Group no longer has significant influence over the entity.

(3) Audited by Deloitte & Touche LLP, Singapore.

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with SFRS(I):

	Biolidics Limited			Treebox Solutions Pte. Ltd.		
	31.12.2018 S$'000	31.12.2017 S$'000	1.1.2017 S$'000	31.12.2018 S$'000	31.12.2017 S$'000	1.1.2017 S$'000
Current assets	**13,263**	4,084	2,529	**N.A.**	N.A.	3,369
Non-current assets	**929**	1,122	1,196	**N.A.**	N.A.	336
Current liabilities	**(1,532)**	(11,003)	(4,050)	**N.A.**	N.A.	(852)
Non-current liabilities	**(101)**	(18,049)	(16,397)	**N.A.**	N.A.	–
Net assets/(liabilities) of the associates	**12,559**	(23,846)	(16,722)	**N.A.**	N.A.	2,853
Revenue	**1,268**	2,084		**N.A.**	N.A.	
Total comprehensive loss for the year	**(6,261)**	(7,192)		**N.A.**	N.A.	

N.A. – Not applicable as this entity was disposed of in 2017, as disclosed in Note 1.2.

13. 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		
	31.12.2018 S$'000	**31.12.2017 S$'000**	**1.1.2017 S$'000**	**31.12.2018 S$'000**	**31.12.2017 S$'000**	**1.1.2017 S$'000**
Call options issued under the BSA operator agreement to acquire (Note A):						
Quoted equity shares in an associate	**2,925**	–	–	**–**	–	–
Unquoted equity shares in:						
– associates	**–**	3,765	4,598	**–**	–	–
– other investee	**863**	570	–	**–**	–	–
Convertible loans issued by an associate	**–**	1,572	1,519	**–**	–	–
Call options issued under the NRF scheme to acquire (Note B):						
Convertible bonds issued by other investee	**–**	–	112	**–**	–	112
	3,788	5,907	6,229	**–**	–	112

Note A: In prior years, the Group entered into an investment arrangement with a third party who will coinvest 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 has granted written call options to Clearbridge BSA Pte. Ltd. ("**CBBSA**"), a wholly owned subsidiary of the Group, which represents 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 is equivalent to the third party's investment cost plus a return at a rate of 8% annual cumulative non-compounding simple interest.

During the year, the convertible loans held by the third party in an associate, Biolidics were converted into ordinary shares of Biolidics following the completion of the Biolidics Fundraising Exercise, as discussed in Note 12. The ordinary shares of Biolidics were listed on Catalist Board of SGX-ST in December 2018.

Note B: In prior years, the Group entered into an investment arrangement with a third party that will co-invest S$0.85 for every S$0.15 invested by the Group into investments deemed as qualifying investments under the National Research Foundation Technology Incubation Scheme ("**NRF TIS**"). As part of the arrangement, the third party has granted written call options to the Company, which represents the right to call on investments held by the said third party. The call option exercise consideration will be at least the third party's investment cost plus a return at a rate of 10% if the Company exercises the call option within the first anniversary of the investment or at a rate of at least 15% if the Company exercises the call option after the first anniversary.

Changes in fair value amounting to a loss of S$2,119,000 (2017: loss of S$210,000) have been included in profit or loss for the year.

14. PROPERTY, PLANT AND EQUIPMENT

Group	Computer equipment S$'000	Furniture and fittings S$'000	Office equipment S$'000	Medical equipment S$'000	Laboratory equipment S$'000	Motor vehicles S$'000	Renovation S$'000	Freehold Property S$'000	Work-in-progress S$'000	Total S$'000
Cost:										
At 1 January 2017	149	2	17	11	–	–	–	–	–	179
Additions	61	71	23	61	–	–	93	2,251	–	2,560
Acquisition of subsidiaries	44	48	21	–	–	–	1	–	–	114
Written off/disposal	(127)	(2)	(20)	(11)	–	–	–	–	–	(160)
Disposal of subsidiaries	(1)	–	–	–	–	–	–	–	–	(1)
At 31 December 2017 and 1 January 2018	126	119	41	61	–	–	94	2,251	–	2,692
Additions	101	102	35	467	501	–	350	–	416	1,972
Acquisition of subsidiaries	51	85	38	1,858	–	80	905	–	74	3,091
Written off/disposal	–	(3)	–	(100)	–	–	(16)	–	–	(119)
Reclassification	–	11	2	–	–	–	72	–	(85)	–
Exchange difference	2	(2)	–	–	–	–	(9)	–	10	1
At 31 December 2018	**280**	**312**	**116**	**2,286**	**501**	**80**	**1,396**	**2,251**	**415**	**7,637**
Accumulated depreciation:										
At 1 January 2017	102	1	17	11	–	–	–	–	–	131
Charge for the year	31	23	6	5	–	–	19	4	–	88
Written off/disposal	(97)	–	(16)	(11)	–	–	–	–	–	(124)
At 31 December 2017 and 1 January 2018	36	24	7	5	–	–	19	4	–	95
Charge for the year	78	95	27	423	55	14	281	45	–	1,018
Written off/disposal	–	(3)	–	(71)	–	–	(16)	–	–	(90)
Exchange difference	(3)	(4)	(1)	2	–	–	(5)	–	–	(11)
At 31 December 2018	**111**	**112**	**33**	**359**	**55**	**14**	**279**	**49**	**–**	**1,012**
Carrying amount:										
At 1 January 2017	47	1	–	–	–	–	–	–	–	48
At 31 December 2017	90	95	34	56	–	–	75	2,247	–	2,597
At 31 December 2018	**169**	**200**	**83**	**1,927**	**446**	**66**	**1,117**	**2,202**	**415**	**6,625**

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Computer equipment S$'000	Office equipment S$'000	Testing and trial equipment S$'000	Total S$'000
Cost:				
At 1 January 2017	118	17	11	146
Additions	5	–	–	5
Disposal	(100)	(16)	(11)	(127)
At 31 December 2017 and 1 January 2018	23	1	–	24
Additions	10	14	–	24
At 31 December 2018	**33**	**15**	**–**	**48**
Accumulated depreciation:				
At 1 January 2017	96	17	11	124
Charge for the year	11	–	–	11
Disposal	(90)	(16)	(11)	(117)
At 31 December 2017 and 1 January 2018	17	1	–	18
Charge for the year	5	2	–	7
At 31 December 2018	**22**	**3**	**–**	**25**
Carrying amount:				
At 1 January 2017	22	–	–	22
At 31 December 2017	6	–	–	6
At 31 December 2018	**11**	**12**	**–**	**23**

The cash outflow on acquisition of property, plant and equipment amounted to S$1,676,000 (2017: S$2,560,000).

Assets held under finance lease

During the financial year, the Group acquired laboratory equipment with an aggregate cost of S$501,000 (2017: Nil), of which S$296,000 was financed under a lease arrangement.

The carrying amount of laboratory equipment held under the finance lease at the end of the reporting period was S$446,000 (31 December 2017: Nil, 1 January 2017: Nil).

Assets pledged as security

The Group's freehold property with a carrying amount of S$2,202,000 (2017: S$2,247,000, 1 January 2017: Nil) are mortgaged to secure the Group's bank loan (Note 25).

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15. INTANGIBLE ASSETS

Group	Patent rights S$'000	Trademark S$'000	CAP Accreditation S$'000	Customer relationships S$'000	Favourable rental agreement S$'000	Total S$'000
Cost:						
At 1 January 2017	187	3	–	–	–	190
Additions	96	–	–	–	–	96
Acquisition of a subsidiary	–	–	105	17	–	122
Written off	(151)	–	–	–	–	(151)
Disposal of subsidiaries	(35)	–	–	–	–	(35)
Translation differences	2	–	–	–	–	2
At 31 December 2017 and 1 January 2018	99	3	105	17	–	224
Additions	–	–	–	–	–	–
Acquisition of subsidiaries	–	–	–	141	99	240
Translation differences	–	–	–	1	–	1
At 31 December 2018	**99**	**3**	**105**	**159**	**99**	**465**
Accumulated amortisation:						
At 1 January 2017	95	–	–	–	–	95
Charge for the year	4	–	18	1	–	23
At 31 December 2017 and 1 January 2018	99	–	18	1	–	118
Charge for the year	–	–	52	2	27	81
At 31 December 2018	**99**	**–**	**70**	**3**	**27**	**199**
Carrying amount:						
At 1 January 2017	92	3	–	–	–	95
At 31 December 2017	–	3	87	16	–	106
At 31 December 2018	**–**	**3**	**35**	**156**	**72**	**266**

16. GOODWILL ON CONSOLIDATION

	Group		
	31.12.2018 S$'000	31.12.2017 S$'000	1.1.2017 S$'000
Carrying amount:			
At the beginning of the year	**11,002**	–	61
Goodwill arising from acquisitions	**11,294**	11,002	–
Written off during the year	**–**	–	(61)
At the end of the year	**22,296**	11,002	–

16. GOODWILL ON CONSOLIDATION (CONTINUED)

Impairment testing of goodwill

Goodwill acquired through business combinations have been allocated to two CGUs, which are also the reportable operating segments, for impairment testing as follows:

	31.12.2018 S$'000	31.12.2017 S$'000	1.1.2017 S$'000
Medical clinics/centres	**16,239**	9,000	–
Healthcare systems	**6,057**	2,002	–
	22,296	11,002	–

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year period are as follows:

	Medical clinics/centres			Healthcare systems		
	31.12.2018	31.12.2017	1.1.2017	31.12.2018	31.12.2017	1.1.2017
Growth rates	3%	1.5%	–	**3%**	1.5%	–
Pre-tax discount rates	17%	19%	–	**19%**	22%	–

Key assumptions used in the value in use calculations

The calculations of value in use for both CGUs are most sensitive to the following assumptions:

Assumption	Description
Growth rates	The forecasted growth rates are based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs.
Pre-tax discount rates	Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Sensitivity to changes in assumptions

With regards to the assessment of value in use for both CGUs, the Group believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

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17. OTHER INVESTMENTS

	Group 31.12.2018 S$'000	Group 31.12.2017 S$'000	Group 1.1.2017 S$'000	Company 31.12.2018 S$'000	Company 31.12.2017 S$'000	Company 1.1.2017 S$'000
At fair value through profit or loss						
Quoted equity shares	–	–	3,690	–	–	3,690
Convertible loans issued by an investee (b)	–	–	162	–	–	162
Convertible loans issued by an associate (a)	–	3,543	3,168	–	–	–
At fair value through other comprehensive income						
Unquoted equity shares (c)	**1,860**	1,485	–	–	–	–
	1,860	5,028	7,020	–	–	3,852
Current	–	3,543	–	–	–	–
Non-current	**1,860**	1,485	7,020	–	–	3,852
	1,860	5,028	7,020	–	–	3,852

Quoted equity shares represent investments in an entity listed on a foreign stock exchange.

Unquoted equity shares represent investment in an entity not listed on any stock exchange.

(a) In September 2015, a subsidiary entered into a convertible loan agreement with an associate, Biolidics. The convertible loan has an interest yield of 12% per annum which is redeemable within 1 year. In 2016, the maturity date of the loan was extended to 28 September 2018.

In November 2016, a subsidiary entered into a new convertible loan agreement with Biolidics, at an interest yield of 12% per annum which is redeemable within 1 year. In 2017, the maturity date of the loan was extended to 16 November 2018.

During the year, the convertible loans were converted into ordinary shares of Biolidics and reclassified to investments in associates following the completion of the Biolidics Fundraising Exercise. Please refer to Note 12 for details.

(b) In November 2014, the Company entered into a convertible loan agreement with an investee. The convertible loan has an interest yield of 5% per annum. The loan and interest accrued will be automatically converted in full into conversion shares upon maturity in 3 years on 16 November 2017.

In June 2017, the Company novated the convertible loan to a related company. Please refer to Note 1.2 for details.

(c) As at 31 December 2018, the fair value of the investment in unquoted equity shares of Singapore Institute of Advanced Medicine Holdings Pte. Ltd. designated by the Group at fair value through other comprehensive income amounted to S$1,860,000 (31 December 2017: S$1,485,000, 1 January 2017: Nil). The Group has elected to measure these equity securities at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation. During the year, the Group recognised a gain for changes in fair value of the investment of S$375,000 (2017: S$735,000) in other comprehensive income.

Changes in fair value amounting to a loss of S$1,444,000 (2017: loss of S$301,000) have been included in profit or loss for the year.

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18. CASH AT BANKS AND SHORT-TERM DEPOSITS

	Group			Company		
	31.12.2018 S$'000	**31.12.2017 S$'000**	**1.1.2017 S$'000**	**31.12.2018 S$'000**	**31.12.2017 S$'000**	**1.1.2017 S$'000**
Cash at banks	**4,233**	27,740	4,308	**509**	23,294	2,806
Short-term deposits	**3,772**	–	–	**3,000**	–	–
	8,005	27,740	4,308	**3,509**	23,294	2,806

Certain cash at banks earns interest. Short-term deposits are made for varying periods of between one to nine months and earn interests at the respective short-term deposit rates. The average interest as at 31 December 2018 is between 0.25%-1.58% per annum (31 December 2017: 0.25%-1.0% per annum, 1 January 2017: Nil).

Cash and cash equivalents denominated in foreign currencies as at 31 December 2018, 31 December 2017 and 1 January 2017 are as follows:

	Group			Company		
	31.12.2018 S$'000	**31.12.2017 S$'000**	**1.1.2017 S$'000**	**31.12.2018 S$'000**	**31.12.2017 S$'000**	**1.1.2017 S$'000**
US dollar	**137**	25	111	**2**	2	3
Euro	**2**	3	2	**2**	1	1
Australian dollar	**10**	11	–	**–**	–	–
Others	**4**	–	–	**–**	–	–

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

	31.12.2018 S$'000	**31.12.2017 S$'000**	**1.1.2017 S$'000**
Cash at banks and short-term deposits	**8,005**	27,740	4,308
Less: Restricted deposits	**(235)**	–	–
Cash and cash equivalents per consolidated cash flow statement	**7,770**	27,740	4,308

19. TRADE RECEIVABLES

	Group			Company		
	31.12.2018 S$'000	**31.12.2017 S$'000**	**1.1.2017 S$'000**	**31.12.2018 S$'000**	**31.12.2017 S$'000**	**1.1.2017 S$'000**
Associate	**–**	–	25	**–**	–	25
External parties	**2,050**	71	–	**–**	–	–
	2,050	71	25	**–**	–	25

Trade receivable balances are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash. The average credit period is 30 to 60 days. There are no trade receivables denominated in foreign currencies.

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19. TRADE RECEIVABLES (CONTINUED)

Receivables that are past due but not impaired

The Group has trade receivables amounting to S$71,000 as at 31 December 2017 and S$25,000 as at 1 January 2017 that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	31.12.2017 S$'000	1.1.2017 S$'000
Trade receivables past due but not impaired:		
Lesser than 30 days	71	25

Receivables that are impaired

The Group does not have trade receivables that are impaired as at 31 December 2017 and 1 January 2017.

Expected credit losses

There is no allowance for expected credit losses arising from the Group's trade receivables as at 31 December 2018 as the expected credit losses are not material.

Management has assessed that the allowance for expected credit losses arising from the Group's trade receivables as at 31 December 2018 is not significant.

20. OTHER RECEIVABLES

	Group			Company		
	31.12.2018 S$'000	**31.12.2017 S$'000**	**1.1.2017 S$'000**	**31.12.2018 S$'000**	**31.12.2017 S$'000**	**1.1.2017 S$'000**
Current						
Deposits	**203**	537	–	**4**	273	–
Amounts due from an investee	**–**	–	28	**–**	–	27
Amounts due from a related party	**133**	138	510	**9**	–	510
Amounts due from an associate	**43**	23	–	**2**	18	–
Loan to a third party	**2,720**	–	–	**–**	–	–
Prepaid taxes	**499**	–	–	**–**	–	–
Others	**356**	244	22	**73**	196	22
	3,954	942	560	**88**	487	559
Non-current						
Accrued interest on convertible loan issued by an associate	**–**	–	200	**–**	–	-

Amounts due from a related party are unsecured, non-interest bearing and repayable on demand.

Amounts due from an associate relate to interest accrued on convertible loans issued by an associate.

Loan to a third party is unsecured, bears interest at 11% per annum and is repayable within 9 months from the drawdown date.

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21. AMOUNTS DUE FROM SUBSIDIARIES

	Company		
	31.12.2018 S$'000	31.12.2017 S$'000	1.1.2017 S$'000
Current			
Interest bearing	**3,954**	9,401	10,161
Non-interest bearing	**11,353**	6,019	1,305
	15,307	15,420	11,466
Non-current			
Interest bearing	**23,783**	–	–

The non-interest bearing amounts are unsecured, non-trade related, non-interest bearing, repayable on demand and to be settled in cash.

The current interest bearing amounts are unsecured, bear interest of 8% or 12% per annum (31 December 2017: 8%) and are repayable on demand.

The non-current interest bearing amounts are unsecured, bear interest of 8% per annum, are repayable on demand but are not expected to be recovered within the next 12 months, accordingly these are classified as non-current.

22. INVENTORIES

	Group		
	31.12.2018 S$'000	31.12.2017 S$'000	1.1.2017 S$'000
Medical supplies (at cost or net realisable value)	**413**	66	–

The cost of inventories recognised as an expense in profit or loss during the year amounted to S$2,740,000 (31 December 2017: S$137,000).

23. OTHER PAYABLES

	Group			Company		
	31.12.2018 S$'000	31.12.2017 S$'000	1.1.2017 S$'000	31.12.2018 S$'000	31.12.2017 S$'000	1.1.2017 S$'000
Current						
Accruals	**604**	846	462	**114**	525	87
Amount due to a related party	**–**	–	–	**–**	–	–
Liability arising from call option to acquire additional interest in a subsidiary	**3,653**	3,533	3,294	**–**	–	–
Contingent consideration for business combinations	**1,905**	–	–	**–**	–	–
Others creditors	**910**	1,161	469	**246**	660	344
	7,072	5,540	4,225	**360**	1,185	431
Non-current						
Contingent consideration for business combinations	**1,774**	–	–	**–**	–	–

Accruals mainly relate to accruals for payroll and professional fees.

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23. OTHER PAYABLES (CONTINUED)

Other creditors are non-interest bearing and are generally on a 30 to 60 days term.

Liability arising from call option to acquire additional interest in a subsidiary relates to call option granted by a shareholder to acquire the shareholder's interest in a subsidiary. As the Group accounts for the effect of the call option as though it owns the shareholder's interest in the subsidiary as disclosed in Note 2.4, a liability representing the cost, bearing an interest of 8% per annum, cumulative non-compounding is recognised.

Contingent consideration for business combinations are in relation to the acquisitions made by the Group during the year as disclosed in Note 11.

A reconciliation of liabilities arising from the Group's financing activities is as follows:

			Non-cash changes		
	1.1.2018 S$'000	Cash flows S$'000	Acquisition S$'000	Fair value adjustment S$'000	31.12.2018 S$'000
Contingent consideration for business combinations	–	–	3,485	194	**3,679**

24. AMOUNTS DUE TO SUBSIDIARIES

Amounts due to subsidiaries by the Company are unsecured, non-interest bearing, non-trade related, repayable on demand and to be settled in cash.

25. BORROWINGS

		Group			Company		
	Maturity	31.12.2018 S$'000	31.12.2017 S$'000	1.1.2017 S$'000	31.12.2018 S$'000	31.12.2017 S$'000	1.1.2017 S$'000
Current							
Obligation under a finance lease (a)	Jul 2023	**56**	-	–	**-**	-	–
Floating rate bank loan A (b)	Oct 2042	**14**	9	–	**–**	–	–
Floating rate bank loan B (c)	Sep 2021	**400**	–	–	**400**	–	–
		470	9	–	**400**	–	–
Non-current							
Obligation under a finance lease (a)	Jul 2023	**218**	-	–	**-**	-	–
Floating rate bank loan (b)	Oct 2042	**1,590**	1,632	–	**–**	–	–
Floating rate bank loan (c)	Sep 2021	**611**	–	–	**611**	–	–
		2,419	1,632	–	**611**	–	–
Total borrowings		**2,889**	1,641	–	**1,011**	–	–

25. BORROWINGS (CONTINUED)

(a) The obligation under the finance lease is secured by a charge over the leased assets (Note 14).

(b) Floating rate bank loan A relates to a loan drawn down by the Group to finance the acquisition of a freehold unit (Note 14). The loan is secured by the freehold office unit of the Group and is repayable in 300 monthly instalments, starting from November 2017 onwards.

Interest rate of the borrowing is at 1.68%, 1.98% and 2.28% per annum below the bank's Commercial Financing Rate ("**CFR**") for the first, second and third year of the loan tenure respectively. The interest rate for the remaining years is at CFR. The effective interest rate of the loan is 4.38% (2017: 4.38%) per annum.

(c) Floating rate bank loan B relates to a loan drawn down by the Company during the year to finance the business acquisitions of the Group. The loan is secured by all rights, interest in all material contracts and assets owned by the Company's subsidiaries.

The loan is repayable in twelve equal quarterly instalments commencing from December 2018 and bears interest at 2.75% per annum above the 3-month SWAP Offer Rate or 3-month Cost of Funds, whichever is higher. The effective interest rate of the loan is 4.28% per annum.

A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes		
	1.1.2018 S$'000	**Cash flows S$'000**	**Acquisition S$'000**	**Accretion of interests S$'000**	**31.12.2018 S$'000**
Floating rate bank loan A & B					
– Current	**9**	405	–	–	**414**
– Non-current	**1,632**	560	–	9	**2,201**
Obligation under a finance lease					
– Current	**–**	–	56	–	**56**
– Non-current	**–**	(22)	240	–	**218**
	1,641	943	296	9	**2,889**

	1.1.2017 S$'000	**Cash flows S$'000**	**31.12.2017 S$'000**
Floating rate bank loan A			
– Current	–	9	9
– Non-current	–	1,632	1,632
	–	1,641	1,641

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26. DEFERRED TAX LIABILITIES

Deferred tax as at 31 December relates to the following:

	Group		Company	
	31.12.2018 S$'000	31.12.2017 S$'000	31.12.2018 S$'000	31.12.2017 S$'000
Balance as at 1 January	**1,786**	4,748	–	2,774
Deferred tax liabilities arising from the acquisition of subsidiaries	**52**	20	–	–
(Credited)/charge to profit or loss	**(17)**	(2,982)	–	(2,774)
Balance as at 31 December	**1,821**	1,786	–	–

Deferred tax liabilities as at 31 December related to the following:

	Group			Company		
	31.12.2018 S$'000	31.12.2017 S$'000	1.1.2017 S$'000	31.12.2018 S$'000	31.12.2017 S$'000	1.1.2017 S$'000
Fair value gain on financial instruments	**1,766**	1,766	5,327	–	–	3,353
Unutilised tax losses	–	–	(572)	–	–	(572)
Unutilised leave	–	–	(2)	–	–	(2)
Unutilised capital allowance	–	–	(5)	–	–	(5)
Deferred tax liabilities arising from business combinations	**55**	20	–	–	–	–
	1,821	1,786	4,748	–	–	2,774

Unrecognised tax losses

Subject to the agreement with the Comptroller of Income Tax and the relevant provisions of the income Tax Act, the Group has estimated unabsorbed tax losses of S$23,308,000 (2017: S$18,166,000) and unutilised capital allowances of S$70,000 (2017: S$41,000) available for offset against future profits. During the year ended 31 December 2017, deferred tax asset has been recognised in respect of S$161,000 of such losses to offset against the deferred tax liability recognised. No deferred tax assets have been recognised in respect of the remaining S$23,308,000 (2017: S$18,166,000) of unabsorbed tax losses, S$1,477,000 (2017: S$1,477,000) of unrecognised deferred tax asset on fair value loss on an investment in an associate and S$70,000 (2017: S$41,000) of unutilised capital allowances due to unpredictability of future profit streams. The tax losses can be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders (the "**Shareholding test**") as defined.

Due to the change in majority shareholders during the year ended 31 December 2017, on 8 November 2018, the Group obtained a waiver of the shareholding test in relation to the unutilised losses of Clearbridge Biophotonics Pte. Ltd. and Sam Laboratory Pte. Ltd., amounting to S$5,213,000 and S$3,360,000 respectively.

27. SHARE CAPITAL

	Group and Company			
	2018		2017	
	No. of shares	S$'000	No. of shares	S$'000
Ordinary shares				
At the beginning of year	**481,000,000**	**73,897**	130,505	3,846
Issued during the year	**8,310,702**	**3,773**	190,832	21,936
Converted from preference shares (Note A)			125,343	24,649
Before share split			446,680	50,431
After share split (Note B)			393,000,000	50,431
Issuance of shares pursuant to Invitation (Note C)			88,000,000	23,466
At the end of the year	**489,310,702**	**77,670**	481,000,000	73,897
Series A convertible preference shares				
At the beginning of the year	–	–	51,524	8,551
Converted to ordinary shares	–	–	(51,524)	(8,551)
At the end of the year	–	–	–	–
Series B convertible preference shares				
At the beginning of the year	–	–	36,657	7,098
Converted to ordinary shares	–	–	(36,657)	(7,098)
At the end of the year	–	–	–	–
Series C convertible preference shares				
At the beginning of the year	–	–	37,162	9,000
Converted to ordinary shares	–	–	(37,162)	(9,000)
At the end of the year	–	–	–	–
Total	**489,310,702**	**77,670**	481,000,000	73,897

*The consideration paid is less than S$1.

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

The Series A, B and C convertible preference shares had no contractual dividend commitment, carried one vote per share without restriction and at any time can be converted into 1 ordinary share at the call of the holder.

Note A: As approved by shareholders of the Company in an ordinary resolution on 4 April 2017, all the Series A convertible preference shares, Series B convertible preference shares and Series C convertible preference shares were converted into ordinary shares.

Note B: As approved by shareholders of the Company in an extraordinary general meeting held on 20 November 2017, every one share in the capital of the Company was sub-divided into 880 shares (the "**Share Split**").

Note C: During the year ended 31 December 2017, a total of 88,000,000 shares were issued at S$0.28 per share via the Listing. Listing expenses of S$1,174,000 has been capitalised against the share capital.

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28. OTHER RESERVES

(a) ***Capital reserve***

This represents the effects of a series of transactions with shareholders pursuant to the restructuring exercise as elaborated in Note 1.2.

(b) ***Share-based payment reserve***

Share-based payment reserve represents the equity-settled shares granted to an employee (Note 5).

(c) ***Fair value reserve***

Fair value reserve represents the cumulative fair value changes, net of tax, of financial assets carried at fair value through other comprehensive income until they are disposed.

(d) ***Currency translation reserve***

Currency translation reserve represents exchange difference arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

29. 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 year:

	Group	
	2018	**2017**
	S$'000	**S$'000**
Interest income on convertible loan from an associate	**123**	240
Professional services fee charged to an associate	**25**	17

Compensation of directors and key management personnel

	Group	
	2018	**2017**
	S$'000	**S$'000**
Short-term benefits	**1,028**	619
Post-employment benefits	**66**	51
Share-based payment – equity settled	**1,214**	–
Directors' fee	**173**	17
	2,481	687
Comprise amounts paid to:		
Directors of the Company	**1,825**	306
Other key management personnel	**656**	381
	2,481	687

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

30. DIVIDEND

No dividend was declared by the Company for the financial year ended 31 December 2018. For the financial year ended 31 December 2017, the Company declared dividend of S$9,633,000 via in-specie share distribution of Treebox Solutions Pte. Ltd., to the shareholders of the Company as disclosed in Note 1.2(iii).

31. COMMITMENTS

(a) Operating lease commitments – as a lessee

The Group has entered into commercial leases on rental premises. These leases have an average tenure of more than five years with no renewal option or contingent rent provision included in the contracts.

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 December 2018 amounted to S$665,000 (2017: S$324,000).

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	31.12.2018 S$'000	31.12.2017 S$'000	1.1.2017 S$'000
Not later than one year	**377**	379	90
Later than one year but not later than five years	**439**	131	–
Later than five years	**527**	–	–
	1,343	510	90

(b) Finance lease commitments – as a lessee

The Group leases certain laboratory equipment from a non-related party under a finance lease arrangement. The lease agreement does not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

Future minimum lease payments under the finance lease together with the present value of the net minimum lease payments are as follows:

	31.12.2018		31.12.2017		1.1.2017	
	Minimum lease payments S$'000	Present value of payments S$'000	Minimum lease payments S$'000	Present value of payments S$'000	Minimum lease payments S$'000	Present value of payments S$'000
Not later than one year	**65**	**56**	–	–	–	–
Later than one year but not later than five years	**231**	**218**	–	–	–	–
Total minimum lease payments	**296**	**274**	–	–	–	–
Less: Amounts representing finance charges	**(22)**	**–**	–	–	–	–
Present value of minimum lease payments	**274**	**274**	–	–	–	–

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, market risk and liquidity risk. The board of directors reviews and agrees on policies and procedures for the management of these risks.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be:

1) for financial assets receivable from government linked counterparties, 150 days after due date; and

2) for financial assets receivable from individuals and non-government linked corporate counterparties, 90 days after due date.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition.

To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

– Internal credit rating

– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations

– Actual or expected significant changes in the operating results of the debtor

– Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) ***Credit risk (Continued)***

The Group determined that its financial assets are credit-impaired when:

– There is significant difficulty of the issuer or the debtor

– A breach of contract, such as a default or past due event

– It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation

– There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 to 150 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

(i) Non-trade financial assets and loans at amortised cost

The Group uses three categories of internal credit risk ratings for debt instruments and loans which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information that builds on information from information specific to the counterparty and other external information that could affect the counterparty's behaviour.

The Group compute expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default based on historical loss rates for each category of counterparty, and adjusts for forward looking macroeconomic data such as GDP growth.

A summary of the Group's internal grading category in the computation of the Group's expected credit loss model for the debt instruments and loans is as follows:

Category	**Definition of category**	**Basis for recognition of expected credit loss provision**
Grade I	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12-month expected credit losses
Grade II	Loans for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime expected credit losses
Grade III	Interest and/or principal repayments are 90 days past due.	Lifetime expected credit losses

There are no significant changes to estimation techniques or assumptions made during the reporting period.

No loss allowance provision for other non-trade financial assets and loan has been provided as management has assessed the impact to be not significant.

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) ***Credit risk (Continued)***

(i) Non-trade financial assets and loans at amortised cost (Continued)

The gross carrying amount of other non-trade financial assets and loans at amortised cost without taking into account of any collaterals held or other credit enhancements which represents the maximum exposure to loss, is as follows:

Group		**31.12.2018 S$'000**
12-month ECL	Non-trade financial assets at amortised cost	735
12-month ECL	Loans at amortised cost	2,720
	Total	3,455

The gross carrying amount of trade receivables of the Group are disclosed in Note 19.

The gross carrying amount of non-trade financial assets and loans at amortised cost of the Company as at 31 December 2018, without taking into account of any collaterals held or other credit enhancements which represents the maximum exposure to loss, is S$3,455,000.

(ii) Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region and type of customers. The expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

Management has assessed that the impact of the loss allowance provision as at 31 December 2018 is not significant.

Summarised below is the information about the credit risk exposure on the Group's trade receivables and contract assets using provision matrix, grouped by geographical region:

	Singapore S$'000	**Indonesia S$'000**	**Philippines S$'000**	**Others S$'000**	**Total S$'000**
As at 31 December 2018					
Current	69	226	193	18	506
0 to 30 days past due	135	118	172	25	450
31 to 90 days past due	42	587	9	1	639
91 to 120 days past due	7	143	83	–	233
More than 121 days past due	11	191	18	2	222
Total	264	1,265	475	46	2,050

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) ***Credit risk (Continued)***

(iii) Concentration risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

		Group	
	31.12.2018	**31.12.2017**	**1.1.2017**
	S$'000	**S$'000**	**S$'000**
Singapore	**264**	67	25
Philippines	**475**	–	–
Indonesia	**1,265**	–	–
Others	**46**	4	–
	2,050	71	25

At the end of the reporting period, approximately:

(i) 50% of the Group's trade receivables were due from 5 major customers located in Philippines and Indonesia (31 December 2017: 73% was due from 1 major customer located in Singapore; 1 January 2017: All of the Group's trade receivables were due from an associate).

(ii) 69% (31 December 2017; Nil, 1 January 2017: Nil) of the Group's other receivables were due from a third party.

(iii) 4% (31 December 2017: 17%, 1 January 2017: 96%) of the Group's other receivables were due from related parties while almost all of the Company's receivables were balances with related parties.

There are no other debtors who represent more than 5% of the Group's total balance of trade and other receivables. Other than the above, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash at banks and short-term deposits, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in above.

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) ***Market risk***

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity shares and unquoted equity shares (2017: unquoted equity shares). The quoted equity shares are listed on the Catalist Board of the Singapore Exchange Securities Trading Limited in Singapore and are classified as held for trading. The Group does not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

At the end of the reporting period, if the price of the quoted shares held had been 2% (2017: Nil) higher/lower with all other variables held constant, the Group's profit before tax would have been S$59,000 (2017: Nil) higher/lower, arising as a result of higher/lower fair value gains on investment in associates.

The sensitivity analysis for unquoted shares (2017: unquoted shares) is disclosed in Note 33.

(c) ***Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

Analysis of financial instruments by remaining contractual maturities

Non-derivative financial liabilities

	One year or less S$'000	One to five years S$'000	Over five years S$'000	Total S$'000
31.12.2018				
Financial liabilities:				
Trade payables	**1,007**	**–**	**–**	**1,007**
Other payables	**7,271**	**2,201**	**–**	**9,472**
Borrowings	**594**	**1,430**	**2,360**	**4,384**
Total undiscounted financial liabilities	**8,872**	**3,631**	**2,360**	**14,863**
31.12.2017				
Financial liabilities:				
Trade payables	183	–	–	183
Other payables	5,540	–	–	5,540
Borrowings	81	401	2,185	2,667
Total undiscounted financial liabilities	5,804	401	2,185	8,390
1.1.2017				
Financial liabilities:				
Trade payables	69	–	–	69
Other payables	4,225	–	–	4,225
Total undiscounted financial liabilities	4,294	–	–	4,294

33. 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 that 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.

(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			
	Quoted prices in active markets for identical instruments S$'000	**Significant observable inputs other than quoted prices S$'000**	**Significant unobservable inputs S$'000**	**Total S$'000**
31.12.2018				
Assets measured at fair value				
Financial assets				
Investments in associates at FVTPL				
Quoted equity shares	13,230	–	–	13,230
Derivatives financial instruments	–	–	3,788	3,788
Other investments at FVOCI				
Unquoted equity shares	–	1,860	–	1,860
Financial assets as at 31 December 2018	13,230	1,860	3,788	18,878
Liabilities measured at fair value				
Financial liabilities				
Contingent consideration for business combinations	–	–	3,679	3,679
Financial liabilities as at 31 December 2018	–	–	3,679	3,679

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33. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(b) ***Assets and liabilities measured at fair value (Continued)***

	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments S$'000	Significant observable inputs other than quoted prices S$'000	Significant unobservable inputs S$'000	Total S$'000
31.12.2017				
Assets measured at fair value				
Financial assets				
Investments in associates				
Unquoted equity shares	–	–	15,052	15,052
Derivatives financial instruments	–	–	5,907	5,907
Other investments				
Unquoted equity shares	–	1,485	–	1,485
Convertible loans issued by an associate	–	–	3,543	3,543
Financial assets as at 31 December 2017	–	1,485	24,502	25,987
1.1.2017				
Assets measured at fair value				
Financial assets				
Investments in associates				
Unquoted equity shares	–	–	28,174	28,174
Derivatives financial instruments	–	–	6,229	6,229
Other investments				
Unquoted equity shares	3,690	–	–	3,690
Convertible loans issued by an associate	–	–	3,168	3,168
Convertible loans issued by an investee	–	–	162	162
Financial assets as at 1 January 2017	3,690	–	37,733	41,423

(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

Unquoted equity shares 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.

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33. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(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 2018 S$'000	Valuation techniques	Significant Unobservable inputs	Relationship unobservable inputs to fair value
Derivative financial instruments				
Call options	**3,788**	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$220,000.
Financial assets as at 31 December 2018	**3,788**			
Other payables				
Contingent consideration for business combinations	**3,679**	Discounted 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$30,000.
Financial assets as at 31 December 2018	**3,679**			
Investments in associates				
Unquoted equity shares	15,052	Equity valuation is based on recent transaction. Equity values allocation is performed utilising OPM methodology.	Projected stock price volatility	The higher the volatility, the higher the fair value. A 10% points increase in the volatility would result in a higher fair value of S$1,000.
Derivative financial instruments				
Call options	5,907	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$356,000.
Other investments				
Convertible loans issued by an associate	3,543	Summation of conversion option value and straight debt value. The conversion option is calculated by deriving the immediate profit through the conversion of the loans and considering management's expectation of next equity financing. Particularly, 30% discount has been adopted as the applicable discount to the strike price; whereas 85% of successful equity financing is adopted in pro-rating the conversion option. These are management's view as of the end of the reporting period. The straight debt is calculated based on discounted cash flow methodology with applicable 15% discount rate as proxy to issuer's cost of debt. The discount rate applied has taken into consideration of latest external bank's offer rate on unsecured borrowing for issuer and issuer's Weighted Average Cost of Capital ("WACC").	Discount rate Rate of successful equity financing	The higher the discount rate, the lower the fair value. An increase by 10% point would result in a lower fair value of S$29,000. The higher the rate of success, the higher the fair value. An increase by 10% point would result in a lower fair value of S$55,000.
Financial assets as at 31 December 2017	24,502			

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33. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(d) *Level 3 fair value measurements (Continued)*

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

Description	Fair Value as at 1 January 2017 S$'000	Valuation techniques	Significant Unobservable inputs	Relationship unobservable inputs to fair value
Investments in associates				
Unquoted equity shares	28,174	Equity valuation is based on recent transaction, IPO probability and market comparable methodologies. Equity values allocation is performed utilising OPM methodology.	IPO probability	The higher the IPO probability, the higher the fair value. An increase by 10% points would result in a higher fair value of S$185,000.
			Projected stock price volatility	The higher the projected stock volatility, the higher the fair value. An increase by 10% points would result in a higher fair value of S$25,000.
Derivative financial instruments				
Call options	6,229	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$412,000.
Other investments				
Convertible loans issued by an associate and convertible bond issued by an investee	3,330	Summation of conversion option value and straight debt value. The conversion option is calculated by deriving the immediate profit through the conversion of the loans and considering management's expectation of next equity financing. Particularly, 30% discount has been adopted as the applicable discount to the strike price; whereas 90% of successful equity financing is adopted in pro-rating the conversion option. These are management's view as of the end of the reporting period. The straight debt is calculated based on discounted cash flow methodology with applicable 15% discount rate as proxy to issuer's cost of debt. The discount rate applied has taken into consideration of latest external bank's offer rate on unsecured borrowing for issuer and issuer's Weighted Average Cost of Capital ("WACC").	Rate of successful equity financing	The higher the success rate, the higher the fair value. An increase by 10% point would result in a higher fair value of S$52,000.
Financial assets as at 1 January 2017	37,733			

33. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(d) *Level 3 fair value measurements (Continued)*

(ii) *Movements in Level 3 assets and liabilities measured at fair value*

	Fair value measurements using significant unobservable inputs (Level 3)				
	Unquoted equity shares S$'000	Convertible loans issued by an associate S$'000	Call options S$'000	Contingent consideration S$'000	Total S$'000
At 1 January 2017	28,174	3,330	6,229	–	37,733
Disposal	(9,819)	(162)	(112)	–	(10,093)
Transfer out to level 2 (a)	(1,485)	–	–	–	(1,485)
Total (losses)/gains included in profit or loss	(1,818)	375	(210)	–	(1,653)
At 31 December 2017 and 1 January 2018	15,052	3,543	5,907	–	24,502
Reclassification (1)	2,198	(2,198)	–	–	–
Transfer out to level 1 (b)	(13,230)	–	–	–	(13,230)
Total (losses)/gains included in profit or loss	(4,020)	(1,345)	(2,119)	(194)	(7,678)
Arising from acquisition of subsidiaries	–	–	–	(3,485)	(3,485)
At 31 December 2018	–	–	3,788	(3,679)	109

(1) During the year, the convertible loans issued by an associate were converted into ordinary shares of the associate and reclassified to investments in associates, as disclosed in Note 17.

Transfers out of Level 3

(a) During the year ended 31 December 2017, the Group transferred unquoted equity shares from Level 3 to Level 2 of the fair value hierarchy. The carrying amount of the total financial assets transferred was S$1,485,000.

The shares were transferred from Level 3 into Level 2 as the valuation technique used in the fair valuation is based on a market observable input. Prior to the transfer, the fair value of the shares was determined using a valuation technique incorporating significant non market-observable inputs. The fair value of the shares was determined based on the market approach or income approach depending on whether there was a market observable input during the year.

(b) During the year, the Group transferred the unquoted equity shares subsequently listed on the Catalist Board of SGX-ST from Level 3 to Level 1 of the fair value hierarchy. The carrying amount of the total financial assets transferred was S$13,230,000.

The shares were transferred from Level 3 to Level 1 as the valuation technique used in the fair valuation is based on a quoted price in an active market. Prior to the transfer, the fair value of the shares was determined using a valuation technique incorporating significant non market-observable inputs. The fair value of the shares was determined based on recent transactions using an OPM methodology.

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33. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(d) ***Level 3 fair value measurements (Continued)***

(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.

34. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payments, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group is also required under the terms of its borrowing facilities to maintain a total debt-to-equity of not exceeding 50% (31 December 2017: Nil, 1 January 2017: Nil). Total debt is calculated as the aggregate of all interest-bearing borrowings and total equity is calculated as total equity less any non-controlling interests.

		Group	
	31.12.2018	**31.12.2017**	**1.1.2017**
	S$'000	**S$'000**	**S$'000**
Interest-bearing borrowings	**2,889**	1,641	–
Equity attributable to owners of the Company	**47,676**	60,940	38,481
Total debt to total equity ratio	**6.1%**	2.7%	N.M.

N.M. – Not meaningful as there were no interest-bearing borrowings as at 1 January 2017.

The Group are in compliance with all externally imposed capital requirements for the year ended 31 December 2018. The Group was not subject to any externally imposed capital requirements for the year ended 31 December 2017.

35. 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 manufacturing of and research and development on diagnostic related products, and provision of renal care services by partnering with medical device equipment manufacturers and hospitals.

With the acquisition of PT TMJ completed during the year, the management has assessed the segment presentation of financial information and considered the products and services offered by the laboratory segment and PT TMJ to be exhibiting similar economic characteristics. As a result, it will be more meaningful for management to consider the laboratory segment and PT TMJ as a single segment. Hence, the management has renamed the operating segment from laboratory testing services to healthcare systems during the year.

(iii) ***Medical clinics/centres***

Medical clinics/centres segment involves the provision of general medical and clinical services.

(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 clinics/centres and corporate segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

35. SEGMENT INFORMATION (CONTINUED)

2018	Strategic investments S$'000	Healthcare systems S$'000	Medical clinics/ centres S$'000	Corporate S$'000	Adjustments and eliminations S$'000	Notes	Total S$'000
Revenue:							
External customers	–	3,204	2,931	–	–		6,135
Inter-segment	–	83	161	–	(244)	(A)	–
Total revenue	–	3,287	3,092	–	(244)		6,135
Results:							
Interest income	123	72	20	58	–		273
Depreciation expense	(1)	(211)	(798)	(8)	–		(1,018)
Amortisation expense	–	(54)	(27)	–	–		(81)
Other income	172	18	71	102	–		363
Fair value adjustment of contingent consideration for business combinations	–	–	(194)	–	–		(194)
Fair value loss on other investments	(1,444)	–	–	–	–		(1,444)
Fair value loss on associates	(4,020)	–	–	–	–		(4,020)
Fair value loss on derivative financial instruments	(2,119)	–	–	–	–		(2,119)
Segment loss	(8,688)	(787)	(5,995)	(3,415)	–		(18,885)
Assets:							
Investments in associates	13,230	–	–	–	–		13,230
Other investments	1,860	–	–	–	–		1,860
Derivative financial instruments	3,788	–	–	–	–		3,788
Additions to non-current assets	10	998	940	24	–	(B)	1,972
Segment assets	18,995	13,114	26,944	3,709	–		62,762
Segment liabilities	(5,994)	(891)	(6,948)	(1,399)	–		(15,232)

35. SEGMENT INFORMATION (CONTINUED)

2017	Strategic investments S$'000	Healthcare systems S$'000	Medical clinics/ centres S$'000	Corporate S$'000	Adjustments and eliminations S$'000	Notes	Total S$'000
Revenue:							
External customers	–	194	94	–	–		288
Inter-segment	–	–	2	–	(2)	(A)	–
Total revenue	–	194	96	–	(2)		288
Results:							
Interest income	240	4	13	–	–		257
Depreciation expense	–	(10)	(65)	(13)	–		(88)
Amortisation expense	–	(23)	–	–	–		(23)
Other income	–	24	8	57	–		89
Fair value loss on other investments	(301)	–	–	–	–		(301)
Fair value loss on associates	(1,818)	–	–	–	–		(1,818)
Fair value loss on derivative financial instruments	(210)	–	–	–	–		(210)
Intangible assets written off	–	(151)	–	–	–		(151)
Segment loss	(696)	(3,307)	(2,702)	(1,220)	–		(7,925)
Assets:							
Investments in associates	15,052	–	–	–	–		15,052
Other investments	5,028	–	–	–	–		5,028
Derivative financial instruments	5,907	–	–	–	–		5,907
Additions to non-current assets	–	2,271	284	5	–	(B)	2,560
Segment assets	25,987	2,815	5,095	34,896	–		68,793
Segment liabilities	(1,796)	(2,290)	(315)	(4,749)	–		(9,150)

1.1.2017	Strategic investments S$'000	Healthcare systems S$'000	Medical clinics/ centres S$'000	Corporate S$'000	Adjustments and eliminations S$'000	Notes	Total S$'000
Assets:							
Investments in associates	28,174	–	–	–	–		28,174
Other investments	7,020	–	–	–	–		7,020
Derivative financial instruments	6,229	–	–	–	–		6,229
Additions to non-current assets	–	1,773	–	–	–	(B)	1,773
Segment assets	41,423	1,615	–	3,633	–		46,671
Segment liabilities	–	(2,807)	–	(6,235)	–		(9,042)

Note A: Inter-segment revenues are eliminated on consolidation.

Note B: Additions to non-current assets consist of additions to property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

35. SEGMENT INFORMATION (CONTINUED)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets		
	2018	**2017**	**31.12.2018**	**31.12.2017**	**1.1.2017**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Singapore	**1,791**	210	**40,376**	36,070	41,733
Philippines	**1,198**	–	**2,673**	7	–
Indonesia	**2,684**	–	**4,838**	–	–
Hong Kong, Malaysia and others	**462**	78	**178**	72	33
	6,135	288	**48,065**	36,149	41,766

36. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) In August 2018, the Group announced that the Company's wholly-owned subsidiary, Sam Lab has entered into a non-binding memorandum of understanding (the "**MOU**") with a third party, PT Indo Genesis Medika ("**Indo Genesis**") and PT Kreasi Putra Nusantara ("**KPN**") to obtain a controlling stake in Indo Genesis.

The acquisition is still incomplete at the time that these financial statements have been authorised for issue as the Group is still pending the execution of the definitive agreement.

(b) On 8 March 2019, the Company issued S$9,500,000 in aggregate principal amount of convertible bonds pursuant to a subscription agreement entered between the Company and the subscribers on 31 January 2019. The convertible bonds bear interest at 7.0% per annum and are convertible at the option of the holder at a conversion price of S$0.28 per conversion bond into new ordinary shares in the capital of the Company, at any time within three years from the issue date. The convertible bonds will mature three years from the date of the issue.

(c) In March 2019, the Group secured additional funds from SEEDS Capital Pte. Ltd. ("SC") to accelerate the commercialisation of its computational imaging microscopy technology. The additional funds were secured through a subscription by SC of Clearbridge Biophotonics Pte. Ltd.'s convertible bonds amounting to S$1,000,000.

37. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Directors on 2 April 2019.

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2019

Number of shares	:	489,310,702
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

The Company did not hold any treasury shares or subsidiary holdings.

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 18 March 2019, approximately 61.06% of the total number of issued shares of the Company was held by the public as defined in the Catalist Rules. Accordingly, Rule 723 of the Catalist Rules has been complied with.

DISTRIBUTION OF HOLDERS OF SHARES BY SIZE OF SHAREHOLDINGS AS AT 18 MARCH 2019

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	0	0.00	0	0.00
100 – 1,000	17	3.12	11,200	0.00
1,001 – 10,000	129	23.71	934,200	0.19
10,001 – 1,000,000	344	63.24	36,595,060	7.48
1,000,001 and above	54	9.93	451,770,242	92.33
TOTAL	**544**	**100.00**	**489,310,702**	**100.00**

TWENTY LARGEST HOLDERS OF SHARES AS AT 18 MARCH 2019

No.	Name of Shareholder	No. of Shares	% of Shares
1	DBS NOMINEES PTE LTD	113,613,033	23.22
2	CHEN JOHNSON	75,529,100	15.44
3	COOP INTERNATIONAL PTE LTD	23,600,000	4.82
4	MAYBANK KIM ENG SECURITIES PTE LTD	21,093,900	4.31
5	TIMOTHY COOK DRAPER & MELISSA PARKER DRAPER	18,390,100	3.76
6	CHONG CHEE WAH	17,094,100	3.49
7	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	16,634,800	3.40
8	SINGAPORE INSTITUTE OF ADVANCED MEDICINE HOLDINGS PTE. LTD.	16,388,900	3.35
9	MRS WONG YAT SUN NEE TAY LEE TIANG	12,838,900	2.62
10	WONG YAT FOO	12,506,600	2.56
11	CITIBANK NOMINEES SINGAPORE PTE LTD	10,307,368	2.11
12	OCBC SECURITIES PRIVATE LTD	9,108,801	1.86
13	ANDREW TREVATT	7,276,100	1.49
14	YEO KHEE SENG BENNY	6,748,000	1.38
15	LOW SEE CHING (LIU SHIJIN)	5,285,199	1.08
16	CHOW CIT FONG	4,325,200	0.88
17	UOB KAY HIAN PTE LTD	4,266,000	0.87
18	LOO HAN WOEN (LUO HANWEN)	3,368,568	0.69
19	LEONG SUNG YI (LIANG CHANGYI)	3,146,400	0.64
20	NG CHONG KHENG MATTHEW (HUANG ZONGJIN MATTHEW)	2,681,100	0.55
	TOTAL	**384,202,169**	**78.52**

STATISTICS OF **SHAREHOLDINGS**

AS AT 18 MARCH 2019

SUBSTANTIAL SHAREHOLDERS AS AT 18 MARCH 2019

Name	Direct Interest	%	Deemed Interest	%
Chen Johnson	77,055,100	15.75	–	–
Amereus Group Pte. Ltd.	39,771,600	8.13	–	–
Maxim Vorobyev[(1)]	–	–	39,771,600	8.13
Chen Chung Ni Johnny[(2)]	31,059,800	6.35	–	–

Notes:

(1) Maxim Vorobyev holds the entire issued and paid-up share capital of Amereus Group Pte. Ltd. Accordingly, he is deemed interested in the shares held by Amereus Group Pte. Ltd. by virtue of Section 4 of the Securities and Futures Act.

(2) Chen Chung Ni Johnny is the father of Chen Johnson.

NOTICE OF
ANNUAL GENERAL MEETING

CLEARBRIDGE HEALTH LIMITED
(Company Number: 201001436C)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the annual general meeting (the "**AGM**") of Clearbridge Health Limited (the "**Company**") will be held at 37 Jalan Pemimpin, #07-13 Mapex, Singapore 577177 on Thursday, 25 April 2019 at 10.00 a.m. for the following purposes:

Ordinary Business

1. To receive and adopt the directors' statement and audited financial statements of the Company for the financial year ended 31 December 2018 ("**FY2018**") together with the auditor's report thereon. **(Resolution 1)**

2. To approve the payment of directors' fees of S$180,000 for the financial year ending 31 December 2019 ("**FY2019**"), payable quarterly in arrears.
(See Explanatory Note 1) **(Resolution 2)**

3. To re-elect Mr. Yee Pinh Jeremy who is retiring pursuant to Regulation 98 of the Company's constitution (the "**Constitution**") as a director of the Company.
(See Explanatory .Note 2) **(Resolution 3)**

4. To re-elect Mr. Andrew John Lord who is retiring pursuant to Regulation 98 of the Constitution as a director of the Company.
(See Explanatory Note 3) **(Resolution 4)**

5. To re-appoint Ernst & Young LLP as the Company's auditors for FY2019 and to authorise the directors of the Company to fix their remuneration. **(Resolution 5)**

6. To transact any other ordinary business which may be properly transacted at an AGM.

Special Business

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions, with or without any modifications:

7. Authority to allot and issue shares

"THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Catalist Rules**") and the Constitution, the directors of the Company ("**Directors**") be and are hereby authorised to:

I. (a) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(b) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures, or other instruments convertible into Shares;

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF
ANNUAL GENERAL MEETING

II. (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this resolution was in force,

provided that:

(a) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this resolution), shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company ("**Shareholders**") shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) that may be issued under sub-paragraph (a) above, the percentage of the issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from the exercise of share options or vesting of share awards which are outstanding and/or subsisting at the time of the passing of this resolution, provided that such share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares;

(c) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Constitution for the time being; and

(d) the authority conferred by this resolution shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is the earlier."

(See Explanatory Note 4) **(Resolution 6)**

8. Authority to grant awards and to allot and issue Shares pursuant to the Clearbridge Health Performance Share Plan

"THAT pursuant to Section 161 of the Act, authority be and is hereby given to the Directors to:

I. offer and grant awards ("**Awards**") from time to time in accordance with the provisions of the Clearbridge Health Performance Share Plan (the "**PSP**"); and

II. allot and issue from time to time such number of new Shares as may be required to be issued pursuant to the vesting of Awards granted under the PSP,

NOTICE OF ANNUAL GENERAL MEETING

provided always that the aggregate number of Shares issued and issuable pursuant to the Awards granted under the PSP, when added to (i) the number of Shares issued and issuable and/or transferred or transferable in respect of all Awards granted thereunder; and (ii) all other Shares issued and issuable and/or transferred or transferable in respect of all share options granted or share awards granted under any other share incentive schemes or share plans adopted by the Company, shall not exceed 15% of the total issued share capital (excluding treasury shares and subsidiary holdings) of the Company from time to time; and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is the earlier."
(See Explanatory Note 5) **(Resolution 7)**

By Order of the Board

Selena Leong Siew Tee
Company Secretary
Singapore
10 April 2019

NOTES:

1. A member of the Company (who is not a relevant intermediary as defined in Section 181 of the Act) entitled to attend and vote at the AGM is entitled to appoint not more than 2 proxies to attend and vote at the AGM instead of the member. A member of the Company (who is a relevant intermediary as defined in Section 181 of the Act) is entitled to appoint more than 2 proxies to attend and vote at the AGM. A proxy need not be a member of the Company.

2. Where a member (including a member who is a relevant intermediary as defined in Section 181 of the Act) appoints more than 1 proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy in the instrument appointing the proxies. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100% of the shareholdings of his/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate. Alternatively, the Company may, at its option treat the instrument as invalid.

3. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer of the corporation or attorney duly authorised.

4. The instrument appointing a proxy, duly executed, must be deposited at the office of the Company's share registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 not less than 72 hours before the time appointed for holding the AGM.

5. A depositor shall not be regarded as a member of the Company entitled to attend and vote at the AGM unless his/her name appears on the Depository Register not less than 72 hours before the time of the AGM.

EXPLANATORY NOTES:

(1) Resolution 2 in item 2 above, if passed, will facilitate the payment of Directors' fees of S$180,000 for FY2019 on a quarterly basis in arrears. The amount of Directors' fees is computed based on the anticipated number of board and board committee meetings for FY2019, including the attendance and positions held by all of the non-executive Directors in various board committees, and assuming that all non-executive Directors will hold office for the full financial year. In the event the amount of Directors' fees proposed is insufficient, for example in the event of unscheduled board meetings and/or enlarged board sizes, approval will be sought at the next AGM for such additional fees before payments are made to the Directors to meet the shortfall.

(2) In relation to Resolution 3 in item 3 above, Mr. Yee Pinh Jeremy will, upon re-election as a Director, remain as Executive Director and CEO of the Company and a member of the Nominating Committee. Further information on Mr. Yee Pinh Jeremy can be found under 'board of directors' and 'corporate governance report' sections in the Company's annual report 2018.

NOTICE OF
ANNUAL GENERAL MEETING

Details on Mr. Yee Pinh Jeremy

Date of Appointment: 15 May 2017

Date of last re-appointment (if applicable): Not applicable

Age: 50

Country of principal residence: Singapore

The board of directors' comments on this appointment (including rationale, selection criteria, and the search and nomination process): Please refer to the corporate governance report section of the Company's annual report 2018.

Whether appointment is executive, and if so, the area of responsibility: Yes, responsible for identifying and implementing company-wide business growth strategies and overseeing all aspects of the Group's growth and operating functions.

Job Title: Executive Director and CEO, and a member of the Nominating Committee

Professional qualifications: Please refer to the board of directors section of the Company's annual report 2018.

Working experience and occupation(s) during the past 10 years: Please refer to the board of directors section of the Company's annual report 2018.

Shareholding interest in the listed issuer and its subsidiaries: 17,555,973 Shares

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries: No

Conflict of interest (including any competing business): None

Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer

☑ Yes ☐ No

(3) In relation to Resolution 4 in item 4 above, Mr. Andrew John Lord will, upon re-election as a Director, remain as the Lead Independent Director, Chairman of the Remuneration Committee, and a member of the Audit and Nominating Committees. The board of directors of the Company considers him to be independent for the purpose of Rule 704(7) of the Catalist Rules. There are no relationships including family relationships between Mr. Andrew John Lord and the other Directors, the Company, its related corporations (as defined in the Act), its substantial shareholders (as defined in the Securities and Futures Act (Chapter 289 of Singapore), or its officers that could interfere, or be reasonably perceived to interfere, with Mr. Andrew John Lord's exercise of independent business judgement in the best interests of the Company. Further information on Mr. Andrew John Lord can be found under 'board of directors' and 'corporate governance report' sections in the Company's annual report 2018.

Details on Mr. Andrew John Lord

Date of Appointment: 20 November 2017

Date of last re-appointment (if applicable): 27 April 2018

Age: 60

Country of principal residence: Australia

The board of directors' comments on this appointment (including rationale, selection criteria, and the search and nomination process): Please refer to the corporate governance report of the Company's annual report 2018.

Whether appointment is executive, and if so, the area of responsibility: No

Job Title: Lead Independent Director, Chairman of the Remuneration Committee, and a member of the Audit and Nominating Committees

Professional qualifications: Please refer to the board of directors section of the Company's annual report 2018.

Working experience and occupation(s) during the past 10 years: Please refer to the board of directors section of the Company's annual report 2018.

Shareholding interest in the listed issuer and its subsidiaries: None

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries: No

Conflict of interest (including any competing business): None

Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer

☑ Yes ☐ No

NOTICE OF ANNUAL GENERAL MEETING

(4) Resolution 6 in item 7 above, if passed, will empower the Directors to allot and issue Shares, make or grant Instruments and to issue Shares pursuant to such Instruments, without seeking any further approval from Shareholders but within the limitations imposed by this resolution, for such purposes as the Directors may consider would be in the best interests of the Company, from the date of the AGM until the conclusion of the next AGM, or the date by which the next AGM is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this resolution) to be allotted and issued is not to exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing of this resolution (subject to the adjustments stipulated in item 7(II)(b) above), of which the aggregate number of Shares issued other than on a pro-rata basis to all Shareholders is not to exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this resolution (subject to the adjustments stipulated in item 7(II)(b) above).

(5) Resolution 7 in item 8 above, if passed, will empower the Directors to offer and grant Awards under the PSP, and to allot and issue Shares pursuant to the vesting of Awards granted under the PSP, provided that the aggregate number of Shares issued and issuable pursuant to the PSP, when added to (i) the number of Shares issued and issuable and/or transferred or transferable in respect of all Awards granted thereunder; and (ii) all other Shares issued and issuable and/or transferred or transferable in respect of all share options granted or share awards granted under any other share incentive schemes or share plans adopted by the Company, shall not exceed 15% of the total issued share capital (excluding treasury shares and subsidiary holdings) of the Company from time to time.

PERSONAL DATA PRIVACY

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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CLEARBRIDGE HEALTH LIMITED
(Company Registration No.: 201001436C)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING
PROXY FORM

Important:
1. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 of Singapore (the "**Act**"), Relevant Intermediaries (please see note 5 for definition) may appoint more than 2 proxies to attend, speak and vote at the annual general meeting ("**AGM**").
2. For investors who have used their Supplementary Retirement Scheme monies to buy shares in the Company ("**SRS Investors**"), this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. SRS Investors are requested to contact their respective Agent Banks/SRS Operators for any queries they may have regarding appointment of their proxies.

I/We, ______________________ (Name) ______________ (NRIC No./Passport No./Company Registration No.)

of ____ (Address)
being a member/members of Clearbridge Health Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

* and/or

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her/they, the chairman of the AGM, as *my/our *proxy/proxies to attend, speak and to vote for *me/us on *my/our behalf at the AGM to be held at 37 Jalan Pemimpin, #07-13 Mapex, Singapore 577177 on Thursday, 25 April 2019 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the ordinary resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies may vote or abstain from voting at *his/her/their discretion, as he/she/they may on any matter arising at the AGM.

No.	ORDINARY BUSINESS	No. of Shares For	No. of Shares Against
1.	To receive and adopt the directors' statement and audited financial statements of the Company for financial year ending 31 December 2018 together with the auditor's report thereon		
2.	To approve the payment of directors' fees for the financial year ended 31 December 2019, payable quarterly in arrears		
3.	To re-elect Mr. Yee Pinh Jeremy as a director of the Company		
4.	To re-elect Mr. Andrew John Lord as a director of the Company		
5.	To re-appoint Ernst & Young LLP as the Company's auditors		
SPECIAL BUSINESS			
6.	To authorise the directors to allot and issue shares in the capital of the Company		
7.	To authorise the directors to grant awards and to allot and issue shares pursuant to the PSP		

* *If you wish to exercise all your votes "For" or "Against" the relevant resolution, please indicate with an "X" within the relevant box provided above. Alternatively, if you wish to vote some of your shares "For" and some of your shares "Against" the relevant resolution, please indicate the relevant number of shares in the relevant boxes provided above.*

Dated this ________ day of ______________ 2019

Total No. of Shares in	No. of Shares
CDP Register	
Register of Members	

____
Signature of Member(s) or Common Seal

* *Delete accordingly*

IMPORTANT: PLEASE READ NOTES OVERLEAF.

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Act, a member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than 2 proxies to attend and vote at the AGM on his behalf. Such proxy need not be a member of the Company.

3. Where a member appoints 2 proxies, the member must specify the proportion of shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100% of the shareholdings of his/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate. Alternatively, the Company may, at its option, treat this proxy form as invalid.

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer of the corporation or attorney duly authorised.

5. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary may appoint more than 2 proxies to attend and vote at the AGM instead of such member, provided each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the Relevant Intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

   "**Relevant Intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or
   (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. The instrument appointing a proxy or proxies must be deposited at the office of the Company's share registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 not less than 72 hours before the time appointed for holding the AGM. If a member submits a proxy form and subsequently attends the meeting in person, the appointments of the proxy or proxies shall be deemed to be revoked.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Act.

9. SRS Investors (as may be applicable) may attend and cast their vote(s) at the AGM in person. SRS Investors who are unable to attend the AGM but would like to vote, may inform their SRS Approved Nominees to appoint the chairman of the AGM to act as their proxy, in which case, the SRS Investors shall be precluded from attending the AGM.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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