

CLEARBRIDGE HEALTH LIMITED
(Company Registration No.: 201001436C)
(Incorporated in the Republic of Singapore)

DISCLAIMER OF OPINION BY THE INDEPENDENT AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Pursuant to Rule 704(4) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), the board of directors (the "**Board**" or "**Directors**") of Clearbridge Health Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company's independent auditor, Ernst & Young LLP ("**EY**"), has issued a disclaimer of opinion (the "**Disclaimer of Opinion**") in their independent auditor's report dated 9 June 2023 (the "**Independent Auditor's Report**") in relation to the consolidated financial statements of the Group and the Company for the financial year ended 31 December 2022 ("**FY2022**") (the "**Financial Statements**").

EY has not expressed an opinion on the Financial Statements as it has not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit report on the Financial Statements because of the significance of the matters described in the basis for the Disclaimer of Opinion.

The basis for the Disclaimer of Opinion is due to EY not being provided with sufficient information, including relevant financial and non-financial information, of the Purchaser and the Disposed Groups (both as defined below), and other supporting information as a result of the Company having difficulty accessing through the Purchaser the TMJ and IGM Information (as defined below) used by the Group for consolidation purposes, as more particularly described below.

Consequently, EY has not been able to carry out audit procedures to satisfy itself as to the accuracy of, and to determine whether any adjustments might have been found necessary in respect, *inter alia*, of (i) the net gain for FY2022 from the Group's discontinued operations, comprising the gain on disposal of the Disposed Groups and net loss incurred in FY2022 from discontinued operations; (ii) the fair value and carrying value of the Bonds (as defined below) issued by the Purchaser to the Group as consideration for the disposal of the Disposed Groups; and (iii) the recoverability of loans due to the Group from the Disposed Groups and the Purchaser and any expected credit loss arising thereto.

On 7 October 2022, the Company and its wholly-owned subsidiary, Renum Distribution Holdings Pte. Ltd. ("**RDH**"), entered into 2 share purchase agreements with Lunadorii Inc. (the "**Purchaser**") to dispose (the "**Disposal**") of 100% of their respective shareholding interests in SAM Laboratory Pte. Ltd. ("**SAM Labs**") and Clearbridge Medical Asia Pte. Ltd. ("**CBMA**") which in turn held as subsidiaries (a) PT Indo Genesis Medika ("**IGM**"), and (b) PT Tirta Medika Jaya ("**TMJ**") and Clearbridge Medicentre Private Limited ("**CMPL**"), respectively (collectively, the "**Disposed Groups**", which fall under the Healthcare systems segment). The consideration for the Disposal was satisfied by the issue of convertible exchangeable bonds (the "**Bonds**") by the Purchaser to each of the Company and RDH. The maturity date of the Bonds is on 7 October 2025. The Disposal was completed on the same day, on which control of the Disposed Groups was passed on to the Purchaser.

As announced on 1 March 2023 and 20 March 2023, the Purchaser has informed the Company that it has not been able to access the necessary financial information of TMJ and IGM (the "**TMJ and IGM Information**") in a timely manner for the purpose of finalising the Company's consolidated financial statements for FY2022 and requires more time to do so because at the time of completion of the Disposal on 7 October 2022, the management accounts of TMJ and IGM for the financial period commencing 1 July 2022 to 30 September 2022, and up until the date of the Disposal on 7 October 2022 were not yet available. Since the Disposal on 7 October 2022, the Company has had difficulty accessing the TMJ and IGM Information through the Purchaser due to the lack of cooperation from the staff of TMJ and IGM during the related transition process.

Given the above circumstances, the consolidated financial statements of the Group and the statement

of financial position and statement of changes in equity of the Company are based on SAM Labs', CBMA's, TMJ's, IGM's and CMPL's financial information for the period commencing on 1 January 2022 up to the dates that the latest management accounts were made available to the Company, prior to the Disposal on 7 October 2022, such dates being 7 October 2022, 7 October 2022, 31 August 2022, 30 June 2022 and 7 October 2022 respectively.

A copy of the Independent Auditor's Report and an extract of Note 2.1 to the Financial Statements in relation to the basis of preparation of the Financial Statements are appended to this announcement. Shareholders of the Company ("**Shareholders**") are advised to read this announcement in conjunction with the Independent Auditor's Report and the Financial Statements that will form part of the annual report of the Company for FY2022 (which will be released separately on SGXNet in due course) in their entirety.

Further, the Board is of the view that sufficient information has been disclosed for the trading of the Company's securities to continue in an orderly manner and the Board is not aware of any material information that requires disclosure but remains undisclosed as of the date of this announcement.

The Board is of the view that Rule 1303(3) of the Catalist Rules does not apply to the Company's present situation as the Group and the Company are able to continue operating as a going concern, and the Company is able to demonstrate to the SGX-ST and the Shareholders that it is able to do so. Accordingly, the Board is of the view that no suspension of trading of the Company's shares on the SGX-ST pursuant to Rule 1303(3) of the Catalist Rules is required as there is no other material information that Shareholders should be aware of.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

BY ORDER OF THE BOARD

Yee Pinh Jeremy
Executive Director and Chief Executive Officer
9 June 2023

*This announcement has been prepared by the Company and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**"), for compliance with Rules 226(2)(b) and 753(2) of the Catalist Rules. This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Mr David Tham, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.*

Clearbridge Health Limited and its subsidiaries

Independent Auditor's Report For the financial year ended 31 December 2022

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

Report on the audit of the financial statements

We were engaged to audit 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 2022, 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.

We do not express an opinion on the accompanying financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit report on these financial statements.

Basis for Disclaimer of Opinion

As disclosed in Note 39 to the financial statements, the Group entered into a transaction during the financial year to dispose its interest in certain subsidiaries in the Healthcare systems segment, (collectively, the "Disposed Group"). The Group recorded a gain on disposal of S\$2,320,000 for the financial year ended 31 December 2022 and the sale consideration was satisfied entirely by the issuance of convertible exchangeable bonds by Lunadorii Inc. (the "Purchaser"). The terms of the convertible bonds are disclosed in Note 32, and they have not been redeemed, converted or exchanged as at the date of this report.

Due to limited information made available to us, we have not been able to obtain all necessary information in respect of the matters discussed below in connection with the disposal transaction.

(i) **Disposal of the Disposed Group**

As disclosed in Note 39, the Group has recorded a gain on disposal of S\$2,320,000. This gain is recognised on the basis that the Group has ceased to control the Disposed Group based on factors disclosed in Note 39. The gain was computed based on the difference between the sale consideration and net assets of the Disposed Group as at the date of disposal. In determining the net assets of the Disposed Group at the date of disposal, the Group is required to consolidate the results of the Disposed Group until the date of disposal. As disclosed further in Note 39 to the financial statements, the Group had consolidated the results of PT Tirta Medika Jaya ("TMJ") and PT Indo Genesis Medika ("IGM") only up to 31 August 2022 and 30 June 2022, respectively, using their management accounts.

Due to the unavailability of relevant financial information of the Disposed Group, we have not been able to assess the relevant financial impact of not consolidating the results of the Disposed Group until the date of disposal. Additionally, we have not been able to verify the accuracy of the financial information of TMJ and IGM used by the Group for consolidation purposes as we have not been able to carry out any audit procedures due to lack of information available to us. As a result, we have not been able to determine if the net assets of the Disposed Group as at the date of disposal is appropriately stated. This in turn has an impact on the computation of the gain on disposal and the accuracy of the disclosure within Note 39.

Clearbridge Health Limited and its subsidiaries

**Independent Auditor's Report
For the financial year ended 31 December 2022**

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

Basis for Disclaimer of Opinion (cont'd)

(i) Disposal of the Disposed Group (cont'd)

As further disclosed in Note 39, there is an on-going legal action between the Group and a minority shareholder of an entity within the Disposed Group prior to the disposal. Management has represented that any potential liability arising from this litigation will not be attributable to the Group as the relevant entities have ceased to be subsidiaries of the Group. However, due to insufficient information available to us, we are unable to evaluate this representation. If any adjustment is found to be necessary in respect of this matter, it may have an impact on the computation of the gain on disposal and other related balances.

(ii) Fair valuation of convertible exchangeable bonds

In determining the sale consideration for the disposal, the Group has estimated the fair value of the convertible exchangeable bonds at inception to be S\$10,625,000 (Note 32). The Group determined the fair value, with the assistance of an external valuer, based on the equity value of the Purchaser (which also include the disposed entities). This valuation is highly subjective as the convertible exchangeable bonds is a complex instrument (includes embedded derivative) and its value is sensitive to the forecast of their future cash flows and other significant inputs such as discount rate, long term growth rate, probability of default event and liquidity event (Note 34).

We have not been provided with sufficient information, including relevant financial and non-financial information of the Purchaser and the Disposed Group, and other supporting information for the forecast and key assumptions, to assess the reasonableness of the fair value at inception. Due to lack of other reliable or publicly available information about the Purchaser, we were also unable to assess the reasonableness of the fair value using other reliable valuation method. Consequently, we are unable to determine the reasonableness of the fair value of the convertible exchangeable bonds of S\$10,625,000 at inception. This in turn has an impact on the computation of the gain on disposal.

The Group has also represented that the fair value of the convertible exchangeable bonds as at 31 December 2022 continues to approximate S\$10,625,000 as ascertained at inception. Due to lack of information available to us to support this assumption, we are unable to ascertain the reasonableness of this basis. As a result, we are unable to determine if the carrying value of the convertible exchangeable bonds as at 31 December 2022 is appropriately stated, and whether any adjustments might have been found to be necessary.

Clearbridge Health Limited and its subsidiaries

Independent Auditor's Report For the financial year ended 31 December 2022

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

Basis for Disclaimer of Opinion (cont'd)

- (iii) Recoverable value of loans due from certain disposed entities and the Purchaser

As disclosed in Note 21 to the financial statements, the Group has loans receivable due from certain entities within the Disposed Group and the Purchaser amounting to S\$12,054,571 as at 31 December 2022. No expected credit loss has been recognised against this balance as at 31 December 2022.

Due to lack of information available to us, we have not been able to assess the recoverability of these loans and the appropriateness of not recording any expected credit loss as at 31 December 2022. As a result, we are unable to determine if the carrying values of these loans is appropriately stated as at 31 December 2022, and whether any adjustments might have been found to be necessary.

In summary, we have not been able to obtain all necessary information to complete our audit procedures to fully evaluate the substance of this significant transaction, assess the related gain/loss recognised and the net assets of the Disposed Group as at the date of disposal, determine the appropriateness of the carrying amounts of the convertible exchangeable bonds and loans due from the Disposed Group and the Purchaser as at 31 December 2022, and adequacy of the related disclosures. Had we been able to complete the necessary audit procedures, other matters might have come to our attention that may require further adjustments to the financial statements in respect of this transaction.

Accordingly, we are unable to determine whether any adjustments might have been found necessary to the aforementioned balances and other elements making up the statements of financial position as at 31 December 2022, consolidated statement of comprehensive income, statements of changes in equity and consolidated statement of cashflows for the year financial ended 31 December 2022, and the related notes and disclosures in the financial statements.

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.

Clearbridge Health Limited and its subsidiaries

**Independent Auditor's Report
For the financial year ended 31 December 2022**

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

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Group's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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.

Report on other legal and regulatory requirements

In our opinion, in view of the significance of the matters referred to in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiaries 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 Adrian Koh.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

9 June 2023

Clearbridge Health Limited and its subsidiaries

Notes to the financial statements For the financial year ended 31 December 2022

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)").

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 Dollar ("SGD" or "S\$") and all values are rounded to the nearest thousand ("S\$'000"), except when otherwise indicated.

On 7 October 2022, the Company and its wholly-owned subsidiary, Renum Distribution Holdings Pte. Ltd. ("RDH"), entered into 2 share purchase agreements with Lunadorii Inc. (the "Purchaser") to dispose of 100% of their respective shareholding interests in SAM Laboratory Pte. Ltd. ("SAM Labs") and Clearbridge Medical Asia Pte. Ltd. ("CBMA") which in turn held as subsidiaries (a) PT Indo Genesis Medika ("IGM"), and (b) PT Tirta Medika Jaya ("TMJ") and Clearbridge Medicentre Private Limited ("CMPL"), respectively (collectively, the "Disposed Groups", which fall under the Healthcare systems segment). The disposal consideration was satisfied by the issue of a convertible exchangeable bonds (the "Bonds") by the Purchaser to each of the Company and RDH. The maturity date of the Bonds is on 7 October 2025. The disposal was completed on the same day, on which control of the Disposed Groups was passed on to the Purchaser.

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Given the above circumstances, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are based on SAM Labs', CBMA's, TMJ's, IGM's and CMPL's financial information for the period commencing on 1 January 2022 up to the dates that the latest management accounts were made available to the Company, prior to the disposal to Lunadorii Inc. on 7 October 2022, such dates being 7 October 2022, 7 October 2022, 31 August 2022, 30 June 2022 and 7 October 2022 for SAM Labs, CBMA, TMJ, IGM and CMPL respectively.