

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

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**PROPOSED ISSUE OF CONVERTIBLE BONDS**

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The board of directors of Clearbridge Health Limited (the "**Company**") refers to the announcement dated 31 January 2019 (the "**Announcement**") regarding the proposed issue of Convertible Bonds and wishes to provide the following additional information in response to the queries raised by SGX-ST. Unless otherwise defined herein or the context otherwise requires, all capitalized terms used in this announcement shall bear the same meanings ascribed to them in the Announcement.

**QUESTION 1**

How did the redemption percentages (*i.e.* redemption premiums) come about? Are the redemption percentages (*i.e.* redemption premiums) usual for such convertible bonds arrangements?

The terms of the Convertible Bonds, including the redemption premiums, were determined after negotiations with the Subscribers, taking into account, *inter alia*, the following factors:

- (i) feedback from potential investors and financial institutions, including the current market conditions and the expected rate of return indicated by the potential investors;
- (ii) historical financial performance and financial position of the Group;
- (iii) terms of convertible bonds in recent offerings by other companies;
- (iv) the Conversion Price represents a premium of approximately 78.1% to the volume-weighted average price for trades done on SGX-ST on 31 January 2019, being the full market day on which the Subscription Agreement is signed; and
- (v) the availability of the early redemption option for the Company to redeem the Convertible Bonds before maturity, which offers the Company the flexibility of refinancing its borrowings or adjusting its capital structure, as and when necessary and in the interests of the Company.

**QUESTION 2**

Given that the redemption percentages (*i.e.* redemption premiums) would amount to a return on investment for the Subscribers, what would be the net cost to the Company for such Convertible Bonds to be issued, taking into account (i) the 7% interest per annum, and (ii) the redemption percentages (*i.e.* redemption premiums), at each relevant period.

The net cost of the Convertible Bonds (*i.e.* the effective rate of interest) assuming that the Convertible Bonds are redeemed on the last day of the following periods, are illustrated in the table below:

<b>The period within which the early redemption date falls:</b>	<b>Effective Rate of Interest</b>
The period commencing from (and including) the date falling 18 months after the issue date to (but excluding) the date falling 24 months after the issue date	12.5%

The period commencing from (and including) the date falling 24 months after the issue date to (but excluding) the date falling 30 months after the issue date	12.3%
The period commencing from (and including) the date falling 30 months after the issue date to (but excluding) the Maturity Date	12.1%

### QUESTION 3

What is the board of directors' view and basis for determining whether the Subscription Agreement is entered into in the best interests of the Company?

The board of directors is of the view that the issuance of the Convertible Bonds is beneficial to the Group as it will increase resources and working capital available to the Group for it to pursue acquisitions and/or business opportunities which will drive sales and enhance the Group's financial performance, as part of the management's strategy to achieve long-term growth and deliver shareholders' value.

As set out in the Announcement, the Company intends to use the Net Proceeds from the issuance of the Convertible Bonds as follows:

- (i) approximately 70% of the Net Proceeds will be used for expansion of the Company's medical clinics, medical centres and/or laboratory testing services business through mergers and acquisitions, joint ventures, strategic collaborations and/or investment, or organically. A portion of the Net Proceeds will be used to complete the proposed investment in PT Indo Genesis Medika as announced by the Company on 23 August 2018; and
- (ii) approximately 30% of the Net Proceeds will be used for general working capital purposes.

Further, the board of directors noted that the effective rate of interest of the Convertible Bonds (between 12.1% and 12.5% depending on the time of redemption of the Convertible Bonds) is in line with recent offerings by other companies.

In view of the above, the board of directors is of the view that the entry into the Subscription Agreement and the issuance of the Convertible Bonds is in the best interests of the Company.

### **BY ORDER OF THE BOARD**

Andrew John Lord  
Lead Independent Director

8 February 2019

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