



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

Unaudited Condensed Interim Financial Statements
For the Six Months Ended 30 June 2024

This announcement has been prepared by Clearbridge Health Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “**Sponsor**”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.

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.

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A. Unaudited condensed interim consolidated statement of comprehensive income

GROUP				
	Note	Six months ended 30 June		Increase/ (Decrease) %
		2024	2023	
		S\$'000	S\$'000	
Revenue	4.2	4,591	5,665	(19.0)
Purchases		(2,490)	(2,532)	(1.7)
Employee benefits expense	5	(2,591)	(3,120)	(17.0)
Depreciation expense		(737)	(563)	30.9
Amortisation expense		(2)	(4)	(50.0)
Other income		99	415	(76.1)
Fair value loss on other investment at fair value through profit or loss ("FVPL")		-	(225)	n.m.
Fair value gain/(loss) on derivative financial instruments		21	(1)	n.m.
Reversal of expected credit loss on other receivable, net		-	572	n.m.
Other operating expenses		(1,373)	(1,457)	(5.8)
Finance costs		(353)	(390)	(9.5)
Loss before income tax		(2,835)	(1,640)	72.9
Income tax expense		(55)	(34)	61.8
Net loss for the period		(2,890)	(1,674)	72.6
Other comprehensive income:				
Item that will not be reclassified to profit or loss				
Financial assets, at fair value through other comprehensive income ("FVOCI")				
- Fair value gains - equity investment		348	-	n.m.
Item that may be reclassified subsequently to profit or loss				
Exchange difference on translation of foreign operations		44	(30)	n.m.
Total comprehensive income for the period		(2,498)	(1,704)	46.6
Loss attributable to:				
Owners of the Company		(2,326)	(1,527)	52.3
Non-controlling interest		(564)	(147)	283.7
		(2,890)	(1,674)	72.6
Total comprehensive income attributable to:				
Owners of the Company		(1,930)	(1,566)	23.2
Non-controlling interest		(568)	(138)	311.6
		(2,498)	(1,704)	46.6
Loss per share (\$\$ cents)				
Basic and diluted	7	(0.38)	(0.25)	

Note:

n.m. - not meaningful

B. Unaudited condensed interim statements of financial position

	Note	GROUP		COMPANY	
		30 June 2024	31 December 2023	30 June 2024	31 December 2023
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Investments in subsidiaries		-	-	18,445	18,445
Plant and equipment	10	684	766	3	6
Convertible exchangeable bonds	9	935	935	734	734
Right-of-use assets	11	1,909	2,503	-	-
Intangible assets	12	11	4	3	3
Goodwill on consolidation		10,914	10,925	-	-
Other receivables	13	80	71	45	-
Derivative financial instruments	9	62	41	62	41
Deferred tax assets		154	161	-	-
		<u>14,749</u>	<u>15,406</u>	<u>19,292</u>	<u>19,229</u>
Current assets					
Cash at banks and short-term deposits		1,586	3,671	85	1,170
Trade receivables		880	1,247	-	-
Prepayments		506	130	6	14
Other receivables	13	1,687	2,400	46	34
Amounts due from subsidiaries		-	-	4,514	4,597
Inventories		177	251	-	-
Other investments	17	-	813	-	-
		<u>4,836</u>	<u>8,512</u>	<u>4,651</u>	<u>5,815</u>
Total assets		<u>19,585</u>	<u>23,918</u>	<u>23,943</u>	<u>25,044</u>
Current liabilities					
Borrowings	14	911	1,085	695	744
Trade payables		487	696	-	-
Other payables		1,940	2,005	750	732
Amounts due to subsidiaries		-	-	2,358	2,969
Lease liabilities	11	805	952	-	-
Contract liabilities		51	110	-	-
Income tax payable		84	64	-	-
		<u>4,278</u>	<u>4,912</u>	<u>3,803</u>	<u>4,445</u>
Net current assets		<u>558</u>	<u>3,600</u>	<u>848</u>	<u>1,370</u>
Non-current liabilities					
Borrowings	14	3,838	3,984	3,838	3,984
Other payables		66	71	-	-
Lease liabilities	11	1,198	1,615	-	-
Deferred tax liabilities		76	58	-	-
		<u>5,178</u>	<u>5,728</u>	<u>3,838</u>	<u>3,984</u>
Total liabilities		<u>9,456</u>	<u>10,640</u>	<u>7,641</u>	<u>8,429</u>
NET ASSETS		<u>10,129</u>	<u>13,278</u>	<u>16,302</u>	<u>16,615</u>
Equity attributable to owners of the Company					
Share capital	15	92,899	92,899	92,899	92,899
Capital reserve		(1,256)	(1,256)	(6,030)	(6,030)
Share-based payment reserve		4,372	4,325	4,372	4,325
Fair value reserve		-	63	-	-
Currency translation reserve		23	(25)	-	-
Employee benefits reserve		6	6	-	-
Accumulated losses		(87,737)	(85,822)	(74,939)	(74,579)
Equity attributable to owners of the Company		<u>8,307</u>	<u>10,190</u>	<u>16,302</u>	<u>16,615</u>
Non-controlling interests		1,822	3,088	-	-
TOTAL EQUITY		<u>10,129</u>	<u>13,278</u>	<u>16,302</u>	<u>16,615</u>



C. Unaudited condensed interim statements of changes in equity

(In S\$'000)

	Equity Attributable to Owners of the Company						Equity attributable to owners of the Company	Non-controlling interests	Total equity	
	Share capital	Capital reserve	Share-based payment reserve	Fair value reserve	Currency translation reserve	Employee benefits reserve				Accumulated losses
Group										
Balance as at 1 January 2024	92,899	(1,256)	4,325	63	(25)	6	(85,822)	10,190	3,088	13,278
<i>Total comprehensive income for the period</i>										
Net loss for the period	-	-	-	-	-	-	(2,326)	(2,326)	(564)	(2,890)
Other comprehensive income for the period	-	-	-	348	48	-	-	396	(4)	392
Total comprehensive income for the period	-	-	-	348	48	-	(2,326)	(1,930)	(568)	(2,498)
Transfer upon disposal of investments	-	-	-	(411)	-	-	411	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(698)	(698)
Share-based payment - equity settled	-	-	47	-	-	-	-	47	-	47
Balance as at 30 June 2024	92,899	(1,256)	4,372	-	23	6	(87,737)	8,307	1,822	10,129



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

(In S\$'000)

	Equity Attributable to Owners of the Company						Equity attributable to owners of the Company	Non-controlling interests	Total equity	
	Share capital	Capital reserve	Share-based payment reserve	Fair value reserve	Currency translation reserve	Employee benefits reserve				Accumulated losses
Group										
Balance as at 1 January 2023	92,899	(1,256)	4,257	97	(57)	4	(54,545)	41,399	4,270	45,669
Restatement related to non-controlling interests and accumulated losses	-	-	-	-	-	-	922	922	(922)	-
Balance as at 1 January 2023, restated	92,899	(1,256)	4,257	97	(57)	4	(53,623)	42,321	3,348	45,669
<i>Total comprehensive income for the period</i>										
Net loss for the period	-	-	-	-	-	-	(1,527)	(1,527)	(147)	(1,674)
Other comprehensive income for the period	-	-	-	-	(39)	-	-	(39)	9	(30)
Total comprehensive income for the period	-	-	-	-	(39)	-	(1,527)	(1,566)	(138)	(1,704)
Share-based payment - equity settled	-	-	148	-	-	-	-	148	-	148
Balance as at 30 June 2023	92,899	(1,256)	4,405	97	(96)	4	(55,150)	40,903	3,210	44,113



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

(In S\$'000)

<u>Company</u>	Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total equity
Balance as at 1 January 2024	92,899	(6,030)	4,325	(74,579)	16,615
Total comprehensive income for the period	-	-	-	(360)	(360)
Share-based payment - equity settled	-	-	47	-	47
Balance as at 30 June 2024	92,899	(6,030)	4,372	(74,939)	16,302
Balance as at 1 January 2023	92,899	(6,030)	4,258	(51,180)	39,947
Total comprehensive income for the period	-	-	-	(911)	(911)
Share-based payment - equity settled	-	-	148	-	148
Balance as at 30 June 2023	92,899	(6,030)	4,406	(52,091)	39,184

D. Unaudited condensed interim consolidated statement of cash flows

		GROUP	
		Six months ended 30 June	
	Note	2024 S\$'000	2023 S\$'000
Operating activities			
Loss before income tax		(2,835)	(1,640)
Adjustments for:			
Share-based payment - equity settled	6	47	148
Fair value adjustment on convertible bonds	6	(21)	(233)
Gain on modification of deferred consideration	6	-	(19)
Depreciation of plant and equipment	6	165	180
Depreciation of right-of-use assets	6	572	383
Amortisation of intangible assets	6	2	4
Interest income	6	(72)	(83)
Interest expense	6	353	390
Bad debt written off	6	-	1
Inventories written off	6	6	8
Plant and equipment written off		-	1
Reversal of loss allowance on trade and other receivables	6	-	(572)
Fair value adjustment on contingent consideration	6	-	(20)
Fair value loss on derivative financial instruments		-	1
Fair value loss on other investment at FVTPL		-	225
Unrealised foreign exchange loss/(gain)		67	(65)
Operating cash flows before changes in working capital		(1,716)	(1,291)
Decrease in trade receivables		367	77
(Increase)/decrease in prepayments		(377)	57
Decrease/(increase) in other receivables		5	(349)
Decrease/(increase) in inventories		68	(67)
Decrease in trade payables		(209)	(3)
Decrease in other payables		(129)	(445)
Cash flows used in operations		(1,991)	(2,021)
Income tax paid		(15)	(94)
Interest paid		(211)	(193)
Interest received		72	83
Net cash used in operating activities		(2,145)	(2,225)
Investing activities			
Purchase of plant and equipment	10	(88)	(61)
Purchase of intangible assets	12	(9)	-
Proceeds from contingent consideration		-	550
Proceeds from disposal of other investments		1,162	-
Net cash generated from investing activities		1,065	489
Financing activities			
Repayment of loans and borrowings		(463)	(450)
Repayment of lease liabilities		(537)	(389)
Net cash used in financing activities		(1,000)	(839)



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

	Group	
	Six months ended 30 June 2024 S\$'000	2023 S\$'000
Net decrease in cash and cash equivalents	(2,080)	(2,575)
Effects of foreign exchange rate changes, net	(5)	-
Cash and cash equivalents at the beginning of the period	3,671	6,055
Cash and cash equivalents at the end of the period	1,586	3,480

E. Notes to the unaudited condensed interim consolidated financial statements

1. Corporate information

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

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

2. Basis of preparation

The condensed interim financial statements of the Group for the six months period ended 30 June (“**1H**”) 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting*.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the financial year ended 31 December (“**FY**”) 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for FY2023.

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

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

The condensed interim financial statements have been prepared on a going concern basis as the directors have assessed that the Group and the Company would have the ability to meet their obligations for the next twelve months from the reporting date, taking into consideration available cash balances, profitability and cashflow of the Group’s operations, and future financing activities.

2.1. New and amended standards adopted by the Group

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

2.2. Use of judgements and estimates

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

The significant judgements made by Management in applying the Group’s accounting policies and the key sources of estimation uncertainty for the condensed interim financial statements were the same as those that applied to the consolidated financial statements as at and for FY2023.

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

Management is of the opinion that there is no instance of application of judgement which is expected to have a significant impact on the amounts recognised in the Group’s condensed interim financial statements for the six months period ended 30 June 2024.

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

Impairment of goodwill on consolidation

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit (“**CGU**”) to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Based on the assessment performed, Management is of the view that no additional impairment charge is required for the six-month financial period ended 30 June 2024 (30 June 2023: S\$ Nil).

Impairment of investments in subsidiaries

Investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. In determining the recoverable value, an estimate of expected future cash flows from each asset or CGU and an appropriate discount rate is required to be made. An impairment exists when the carrying amount of an asset or CGU exceeds its recoverable amount, which is the higher of fair value less costs to sell and its value in use. Based on the assessment performed, Management is of the view that no additional impairment charge is required for the six-month financial period ended 30 June 2024 (30 June 2023: S\$ Nil).

Impairment of other receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor’s payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

2.2. Use of judgements and estimates (cont'd)

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 the binomial option pricing model (“OPM”) and discounted cash flow (“DCF”).

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, long-term growth rate and discount rates. Changes in assumptions used in these estimates could affect the fair values of the financial instruments.

These financial instruments include convertible exchangeable bonds issued by a third party and call options granted by a subsidiary over the preference shares issued to the non-controlling interests.

The valuation approach, significant estimates used and the sensitivity analysis are disclosed in Note 17.

3. Seasonal operations

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

4. Segment information

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

(i) ***Strategic investments***

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

(ii) ***Healthcare systems***

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

(iii) ***Medical clinics/centres***

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

4. Segment information (cont'd)

(iv) **Corporate segment**

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

(v) **Investment**

The investment segment involves investments into various entities in the global healthcare sector which are EBITDA positive or at an inflection point with a clear line of sight to profitability ("**Portfolio Companies**"), and growing such Portfolio Companies with a view to eventually exiting from such Portfolio Companies. There was no transaction in 1H2024.

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

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

4.1 Reportable segments

Six months ended 30 June 2024	Strategic investments S\$'000	Healthcare systems S\$'000	Medical clinics/ centres S\$'000	Corporate S\$'000	Eliminations S\$'000	Total S\$'000
Revenue:						
External customers	–	12	4,579	–	–	4,591
Inter-segment	–	–	–	–	–	–
Total revenue	–	12	4,579	–	–	4,591
Results:						
Interest income	–	15	12	45	–	72
Depreciation expense	–	–	(734)	(3)	–	(737)
Amortisation expense	–	–	(2)	–	–	(2)
Grant income and others	–	–	22	5	–	27
Fair value gain on derivative financial instruments	–	–	–	21	–	21
Segment loss	(16)	(5)	(1,385)	(1,484)	–	(2,890)
Segment assets	15	591	17,995	984	–	19,585
Segment assets include:						
Derivative financial instruments	–	–	–	62	–	62
Additions to non-current assets	–	–	97	–	–	97
Segment liabilities	(19)	(23)	(4,131)	(5,283)	–	(9,456)



4. Segment information (cont'd)

4.1 Reportable segments (cont'd)

Six months ended 30 June 2023	Strategic investments S\$'000	Healthcare systems S\$'000	Medical clinics/ centres S\$'000	Corporate S\$'000	Eliminations S\$'000	Total S\$'000
Revenue:						
External customers	–	21	5,644	–	–	5,665
Inter-segment	–	–	465	–	(465)	–
Total revenue	–	21	6,109	–	(465)	5,665
Results:						
Interest income	–	15	23	45	–	83
Depreciation expense	–	–	(559)	(4)	–	(563)
Amortisation expense	–	–	(4)	–	–	(4)
Grant income, fair value adjustment on convertible bonds and others	–	–	60	233	–	293
Fair value adjustment of contingent consideration for business combinations	39	–	–	–	–	39
Fair value loss on other investment at FVTPL	(225)	–	–	–	–	(225)
Fair value loss on derivative financial instruments	–	–	–	(1)	–	(1)
Segment gain/(loss)	376	(9)	(755)	(1,286)	–	(1,674)
Segment assets	1,723	5,256	30,064	18,494	–	55,537
Segment assets include:						
Other investments	1,704	–	–	–	–	1,704
Derivative financial instruments	–	–	–	46	–	46
Additions to non-current assets	–	–	58	3	–	61
Segment liabilities	(1,780)	(8)	(4,313)	(5,323)	–	(11,424)



4. Segment information (cont'd)

4.2 Disaggregation of revenue

	Group					
	Healthcare systems		Medical clinics/ centres		Total revenue	
	Six months ended 30 June					
	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Major product or service lines						
Rendering of medical and clinical services	–	–	4,007	5,251	4,007	5,251
Laboratory testing services	12	21	–	–	12	21
Renal care revenue	–	–	572	393	572	393
	12	21	4,579	5,644	4,591	5,665
Primary geographical markets						
Singapore	–	–	3,268	3,937	3,268	3,937
Philippines	–	–	832	1,124	832	1,124
Hong Kong	12	21	479	583	491	604
	12	21	4,579	5,644	4,591	5,665
Timing of transfer of goods or services						
At a point in time	12	21	4,513	5,226	4,525	5,247
Over time	–	–	66	418	66	418
	12	21	4,579	5,644	4,591	5,665

5. Employee benefits expense

	Group	
	Six months ended 30 June	
	2024 S\$'000	2023 S\$'000
Directors' fee	75	90
Salaries and bonuses	2,189	2,553
Defined contribution plan	231	234
Share-based payment – equity settled	47	148
Others	49	95
	2,591	3,120

6. Loss before taxation

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

	GROUP		
	Six months ended 30 June 2024	2023	Increase/ (Decrease)
	S\$'000	S\$'000	%
Interest expense on:			
- Borrowings	(18)	(32)	(43.8)
- Convertible bonds	(263)	(318)	(17.3)
- Lease liabilities	(72)	(40)	80.0
Depreciation expense on:			
- Plant and equipment	(165)	(180)	(8.3)
- Right-of-use assets	(572)	(383)	49.3
Amortisation of intangible assets	(2)	(4)	(50.0)
Other income:			
- Grant income	20	44	(54.5)
- Interest income	72	83	(13.3)
- Fair value adjustment on contingent consideration for business combinations	-	20	n.m
- Gain on modification of deferred consideration	-	19	n.m
- Fair value adjustment on convertible bonds	21	233	n.m
- Others	7	16	(56.3)
Material items included in other operating expenses:			
- Foreign exchange (loss)/gain, net	(101)	74	n.m.
- Professional fees	(184)	(301)	(38.9)
- Rental ⁽¹⁾	(15)	(190)	(92.1)
- Bad debt written off	-	(1)	n.m
- Reversal of loss allowance on of trade and other receivables	-	572	n.m
- Inventories written off	(6)	(8)	(25.0)
Employee benefits expense			
- Share-based payment - equity settled	(47)	(148)	(68.2)

Note:

⁽¹⁾ Rental expenses represent short-term leases that are exempted from having to be recognised in the statement of financial position under SFRS(I) 16 Leases. The Group continues to recognise these short-term lease payments as an expense in profit or loss on a straight-line basis over the lease term.



7. Loss per share

	Group	
	Six months ended 30 June	
	2024	2023
Net loss attributable to owners of the Company (S\$'000)	(2,326)	(1,527)
Weighted average number of shares ('000) ⁽¹⁾	619,177	618,314
Basic and diluted loss per share (S\$ cents)	(0.38)	(0.25)

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

Basic and diluted loss per share is the same as the Convertible Bonds (as defined under note 9 below) and 2,985,475 shares awarded to employees on 28 April 2021 under the Company's performance share plan which will be vested and issued over 3 years were anti-dilutive pursuant to paragraph 41 of SFRS(I) 1-33 Earnings per Share.

Note:

- (1) In May 2023 and April 2024, the Company had allotted and issued 842,058 and 688,954 shares, respectively, pursuant to the Company's performance share plan. These issuances of shares have been factored in arriving at the weighted average number of shares.

8. Net asset value

	Group		Company	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
Net asset value (S\$'000)	8,307	10,190	16,302	16,615
Number of shares ('000)	619,741	619,052	619,741	619,052
Net asset value per share (S\$ cents)	1.34	1.65	2.63	2.68

9. Derivative financial instruments

The Group's derivative financial instruments accounted for at fair value through profit or loss:

	Group		Company	
	30 June 2024 S\$'000	31 December 2023 S\$'000	30 June 2024 S\$'000	31 December 2023 S\$'000
Assets				
Issuance of convertible bonds (Note A)	62	41	62	41
Convertible exchangeable bonds (Note B)	935	935	734	734
Non-current asset	997	976	796	775

Note A: Relates to the redeemable option and convertible options of the convertible bonds ("**Convertible Bonds**") issued by the Company on 8 March 2019 and 17 May 2019 respectively. The Group had partially redeemed on a pro rata basis S\$3,525,000 in principal amount of the Convertible Bonds on 8 October 2021. In 2021, the maturity date of the outstanding Convertible Bonds had been extended for a further 2 years which will be maturing on 8 March 2024 and 17 May 2024.

On 13 April 2023, the maturity date of the outstanding Convertible Bonds was extended for a further 18 months from 8 March 2024 and 17 May 2024 to 8 September 2025 and 17 November 2025, respectively.

Note B: 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 and (b) PT Tirta Medika Jaya and Clearbridge Medicentre Private Limited, respectively (collectively, the "**Disposed Groups**"). The disposal consideration was satisfied by the issue of the convertible exchangeable bonds ("**Bonds**") by the Purchaser to each of the Company and RDH. The maturity date of the Bonds is on 6 October 2025. The disposal was completed on the same day, on which control of the Disposed Groups was passed on to the Purchaser.

During 1H2024, net changes in fair value on derivative financial instruments amounting to a gain of S\$21,000 (1H2023: loss of S\$1,000) have been included in profit or loss.

10. Plant and equipment

During 1H2024, the Group acquired assets amounting to S\$0.09 million (1H2023: S\$0.06 million).

11. Leases

Group as a lessee

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

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

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

Group	Office and clinical premises S\$'000
At 1 January 2023	1,435
Additions	2,083
Reclassification from plant and equipment	15
Depreciation expense	(1,025)
Exchange difference	(5)
	<hr/>
At 31 December 2023 and 1 January 2024	2,503
Depreciation expense	(572)
Exchange difference	(22)
	<hr/>
At 30 June 2024	<u>1,909</u>

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

	Group S\$'000
At 1 January 2023	1,580
Additions	1,952
Reclassification from borrowings	13
Accretion of interest	123
Payments	(1,096)
Exchange difference	(5)
	<hr/>
At 31 December 2023 and 1 January 2024	2,567
Accretion of interest	72
Payments	(609)
Exchange difference	(27)
	<hr/>
At 30 June 2024	<u>2,003</u>



11. Leases (cont'd)

	Group	
	30 June 2024 S\$'000	31 December 2023 S\$'000
Current	805	952
Non-current	1,198	1,615
	2,003	2,567
	2,003	2,567

The following are the amounts recognised in profit or loss:

	Group	
	Six months ended 30 June	
	2024 S\$'000	2023 S\$'000
Depreciation of right-of-use assets	572	383
Interest expense on lease liabilities	72	40
Expense relating to short-term leases (included in other expenses)	15	190
Total amount recognised in profit or loss	659	613
	659	613

During 1H2024, the Group had total cash outflows for leases of S\$0.61 million (1H2023: S\$0.62 million).

12. Intangible assets

Group	Patent	Trademark	Favourable	Computer	Total
	rights		rental	software	
	S\$'000	S\$'000	agreement	S\$'000	S\$'000
Cost:					
At 1 January 2023	99	3	99	408	609
Written off	(99)	–	(99)	(66)	(264)
At 31 December 2023 and 1 January 2024	–	3	–	342	345
Addition	–	–	–	9	9
At 30 June 2024	–	3	–	351	354
Accumulated amortisation and impairment					
At 1 January 2023	99	–	99	400	598
Charge for the year	–	–	–	7	7
Written off	(99)	–	(99)	(66)	(264)
At 31 December 2023 and 1 January 2024	–	–	–	341	341
Charge for the period	–	–	–	2	2
At 30 June 2024	–	–	–	343	343
Carrying amount:					
At 31 December 2023	–	3	–	1	4
At 30 June 2024	–	3	–	8	11

13. Other receivables

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Current				
Deposits	663	650	4	4
Amounts due from related parties ⁽¹⁾	141	203	8	27
Amount due from a related party ⁽²⁾	–	694	–	–
Prepaid taxes	212	159	34	3
Lease receivables	99	97	–	–
Loan receivable from third parties ⁽³⁾	296	304	–	–
Others	276	293	–	–
	1,687	2,400	46	34

13. Other receivables (cont'd)

	Group		Company	
	30 June 2024 S\$'000	31 December 2023 S\$'000	30 June 2024 S\$'000	31 December 2023 S\$'000
Non-current				
Lease receivables	17	67	–	–
Loans receivable from third parties ⁽³⁾	11,939	11,880	9,228	9,183
Others	4	4	–	–
	11,960	11,951	9,228	9,183
Allowance for expected credit loss ⁽³⁾	(11,880)	(11,880)	(9,183)	(9,183)
	80	71	45	–

⁽¹⁾ Current amounts due from related parties are unsecured, non-interest bearing and repayable monthly over the next 12 months.

⁽²⁾ Amount due from a related party is unsecured, bears interest at 6.9% per annum (2023: 6.9% per annum) and is repayable monthly. The amount has been fully settled in 1H2024.

⁽³⁾ Current and non-current loans receivable from third parties are non-secured, bear interest at 1% per annum and shall be payable no later than 7 October 2025. Loans receivable from third parties amounted to S\$12.24 million as at 30 June 2024 (31 December 2023: S\$12.18 million) are due from the disposed entities (SAM Labs and CBMA) and the Purchaser. As at 30 June 2024 and 31 December 2023, allowances for expected credit loss amounted to S\$11.88 million were recognised against the non-current loans, arising from a reduction in the recoverable value of the receivables owing by SAM Labs and CBMA in relation to the funding of the working capital of SAM Labs, CBMA and their respective subsidiaries by the Group prior to the disposal of the Disposed Groups. The reduction in the recoverable value of the receivables is a result of the increase in credit risk and default risk by SAM Labs and CBMA based on the Group's understanding from the Purchaser of the difficulties that the Purchaser is facing in obtaining operational control of the Indonesian businesses of SAM Labs, CBMA and their respective subsidiaries, which the Purchaser is addressing through the legal process in Indonesia.

14. Borrowings

Amount repayable in one year or less, or on demand

	As at 30 June 2024		As at 31 December 2023	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Fixed rate bank loans	-	841	-	1,015
Redeemable convertible bonds	-	70	-	70
	<u>-</u>	<u>911</u>	<u>-</u>	<u>1,085</u>

Amount repayable after one year

	As at 30 June 2024		As at 31 December 2023	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Fixed rate bank loans	-	-	-	287
Redeemable convertible bonds	-	3,838	-	3,697
	<u>-</u>	<u>3,838</u>	<u>-</u>	<u>3,984</u>

As at the end of the reporting date:

- i) The Group's bank borrowings of S\$0.84 million (31 December 2023: S\$1.30 million) are unsecured.
- ii) On 8 March 2019 and 17 May 2019, the Company had issued Convertible Bonds with an aggregate principal amount of S\$11 million to certain subscribers. The Convertible Bonds are unsecured, bear interest at 7.0% per annum and are convertible into new ordinary shares of the Company (the "**Conversion Shares**") at any time during the three-year tenure at a conversion price of S\$0.28 per Conversion Share. The conversion price has been adjusted to S\$0.14 ("**Adjusted Conversion Price**") as announced on 1 August 2019.

On 8 October 2021, the Company partially redeemed on a pro rata basis S\$3.53 million in principal amount of the Convertible Bonds. The partial early redemption was funded from internal resources of the Group. The maturity date of the outstanding Convertible Bonds had been extended for a further 2 years which will be maturing on 8 March 2024 and 17 May 2024, respectively. On 13 April 2023, the maturity date of the outstanding Convertible Bonds was extended for a further eighteen months from 8 March 2024 and 17 May 2024 to 8 September 2025 and 17 November 2025, respectively.

As at 30 June 2024, the carrying amount of the Convertible Bonds amounted to S\$3.91 million (31 December 2023: S\$3.77 million), of which S\$0.07 million (31 December 2023: S\$0.07 million) is included as current liabilities and S\$3.84 million (31 December 2023: S\$3.7 million) as non-current liabilities.

15. Share capital

	The Group and the Company			
	30 June 2024		31 December 2023	
	Number of shares	Issued and paid-up share capital S\$	Number of shares	Issued and paid-up share capital S\$
Beginning of period/year	619,052,398	92,899,117	618,210,340	92,899,117
Issuance of shares ⁽¹⁾	688,954	–	842,058	–
End of period/year	<u>619,741,352</u>	<u>92,899,117</u>	<u>619,052,398</u>	<u>92,899,117</u>

Note:

⁽¹⁾ On 26 April 2024 and 17 May 2023, the Company had allotted and issued 688,954 and 842,058 shares respectively pursuant to the Company's performance share plan.

As at 30 June 2024 and 30 June 2023, the Company had outstanding Convertible Bonds with an aggregate principal amount of S\$3.53 million, convertible into approximately 25,178,575 Conversion Shares at the Adjusted Conversion Price of S\$0.14 per Conversion Share.

As at 30 June 2024 and 30 June 2023, there were no treasury shares held by the Company and there were no subsidiary holdings.

16. Other related party transactions

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

Compensation of directors and key management personnel

	Group	
	Six months ended 30 June 2024 S\$'000	2023 S\$'000
Salaries and bonuses	540	613
Post-employment benefits	25	24
Share-based payment – equity settled	16	19
Directors' fee	75	90
	<u>656</u>	<u>746</u>
Comprise amounts paid to:		
Directors of the Company	409	427
Other key management personnel	247	319
	<u>656</u>	<u>746</u>

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

17. Fair value of financial assets

(a) Fair value hierarchy

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

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

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

(b) Assets measured at fair value

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

	Fair value measurements at the end of the reporting period using Significant unobservable inputs
	S\$'000
2024	
Financial assets measured at fair value	
<i>Derivatives financial assets</i>	
- Redeemable convertible option on convertible bonds	62
Convertible exchangeable bonds	935
	<hr/>
Financial assets as at 30 June 2024	997
	<hr/> <hr/>

17. Fair value of financial assets (cont'd)

(b) Assets measured at fair value (cont'd)

	Fair value measurements at the end of the reporting period using		
	Significant observable inputs other than quoted prices S\$'000	Significant unobservable inputs S\$'000	Total S\$'000
2023			
Financial assets measured at fair value			
<i>Derivatives financial assets</i>			
- Redeemable convertible option on convertible bonds	-	41	41
<i>Other investments at fair value through other comprehensive income ("FVOCI")</i>			
- Unquoted equity shares	813	-	813
Convertible exchangeable bonds	-	935	935
Financial assets as at 31 December 2023	813	976	1,789

(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 and Guideline Public Transaction Method. 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.



17. Fair value of financial assets (cont'd)

(d) Level 3 fair value measurements

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

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

Description	Fair value as at 30 June 2024 S\$'000	Valuation techniques	Significant unobservable inputs	Relationship of unobservable inputs to fair value
<u>Derivative financial assets</u>				
Convertible exchangeable bonds	935	DCF. The fair value of the equity values of related companies are derived using DCF.	Long-term growth rate at 1.6%	The higher the growth rate, the higher the fair value. An increase by 0.1% points would result in a higher fair value of S\$48,000.
			Discount rate at 9%	The higher the discount rate, the lower the fair value. An increase by 0.1% points would result in a lower fair value of S\$60,000.
Convertible option on redeemable convertible bonds	62	OPM methodology. The stock price is projected based on the fair value of the shares of the Company.	Projected stock price volatility	The higher the volatility, the higher the fair value. An increase by 15% points would result in a lower fair value of S\$300.
Financial assets as at 30 June 2024	997			



17. Fair value of financial assets (cont'd)

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

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

Description	Fair value as at 31 December 2023 S\$'000	Valuation techniques	Significant unobservable inputs	Relationship of unobservable inputs to fair value
<u>Derivative financial assets</u>				
Convertible exchangeable bonds	935	DCF. The fair value of the equity values of related companies are derived using DCF.	Long-term growth rate at 1.6%	The higher the growth rate, the higher the fair value. An increase by 0.1% points would result in a higher fair value of S\$48,000.
			Discount rate at 9%	The higher the discount rate, the lower the fair value. An increase by 0.1% points would result in a lower fair value of S\$60,000.
Convertible option on redeemable convertible bonds	41	OPM methodology. The stock price is projected based on the fair value of the shares of the Company.	Projected stock price volatility	The higher the volatility, the higher the fair value. An increase by 15% points would result in a lower fair value of S\$3,000.
Financial assets as at 31 December 2023	976			



17. Fair value of financial assets (cont'd)

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

(ii) Movements in Level 3 assets measured at fair value

Fair value measurements using significant unobservable inputs
 (Level 3)

	Call options S\$'000	Derivative financial assets S\$'000	Convertible exchangeable bonds S\$'000	Total S\$'000
At 1 January 2023	27	47	10,625	10,699
Total loss included in profit or loss	(27)	(6)	(9,690)	(9,723)
At 31 December 2023 and 1 January 2024	-	41	935	976
Total gain included in profit or loss	-	21	-	21
At 30 June 2024	-	62	935	997

17. Fair value of financial assets (cont'd)

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

(iii) Valuation policies and procedures

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

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

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

F. Other information required by Appendix 7C of the Catalist Rules

1. To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30 June 2024	31 December 2023
Total number of issued ordinary shares excluding treasury shares	619,741,352	619,052,398

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

Not applicable as there were no treasury shares.

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

Not applicable as there were no subsidiary holdings.

4. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors of the Company.

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

Not applicable.

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

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



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

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

The Company's independent auditor, CLA Global TS Public Accounting Corporation ("CLA Global TS"), has included a qualified opinion (the "Qualified Opinion") in its independent auditor's report dated 9 April 2024 (the "Independent Auditor's Report") in relation to the audited consolidated financial statements of the Group for FY2023 (the "Audited Financial Statements") (as announced by the Company on 9 April 2024).

The basis for the Qualified Opinion arose from a disclaimer of opinion expressed by the predecessor independent auditor of the Company on the audited consolidated financial statements of the Group for FY2022 (as announced by the Company on 9 June 2023) (the "Disclaimer of Opinion").

The Board wishes to highlight that, in the Independent Auditor's Report, CLA Global TS opined that except for the possible effects of the matter described in the "Basis of Qualified Opinion" section in its Independent Auditor's Report, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) 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 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

In summary, the Board understands that as a result of the Disclaimer of Opinion, CLA Global TS' opinion on the Audited Financial Statements is qualified on the following matters:

- 1) opening balances of the convertible exchangeable bonds and loans due from certain disposed entities;
- 2) whether adjustments to the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement of the Group for the financial year ended 31 December 2023 might be necessary; and
- 3) possible effects on the comparability of the current financial year's figures and the corresponding figures.

The Board further understands that subject to CLA Global TS obtaining sufficient appropriate audit evidence and all necessary information to complete their audit procedure for the audit of the consolidated financial statements of the Group for FY2024, neither the Disclaimer of Opinion nor the Qualified Opinion will not result in a modified opinion in the consolidated financial statements of the Group for FY2024.

The Board confirms that the impact of all outstanding audit issues on the financial statements in this announcement have been adequately disclosed.

6. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

REVIEW OF THE GROUP'S PERFORMANCE

Revenue

Revenue decreased by 19.0% or S\$1.08 million, from S\$5.67 million in 1H2023 to S\$4.59 million in 1H2024.



Revenue from the medical clinics/centres decreased by S\$1.06 million, from S\$5.64 million in 1H2023 to S\$4.58 million in 1H2024 mainly due to the reduction in revenue from the distribution of Labnovation's COVID-19 ART Test Kits in Philippines and lower revenue from the medical clinics/centres in Singapore and Hong Kong for the provision of general medical, dental and clinical services and distribution of medical and pharmaceutical products.

Excluding the revenue from the distribution of Labnovation's COVID-19 ART Test Kits in 1H2023 and 1H2024, the revenue from services provided by the medical clinics/centres decreased by S\$0.51 million, from S\$5.09 million in 1H2023 to S\$4.58 million in 1H2024.

Purchases

Purchases decreased by 1.7% or S\$0.04 million, from S\$2.53 million in 1H2023 to S\$2.49 million in 1H2024, in line with the decrease in revenue. Purchases decreased at a lower rate than the decline in revenue mainly because of the increase in costs of medical supplies and services provided by laboratories.

Purchases mainly comprised direct expenses incurred in processing specimens by the Philippines laboratory testing facilities or outsourced third party clinical laboratories, supplies of Labnovation's COVID-19 ART Test Kits as well as consumables and medicines used by the medical clinics/centres and renal care services.

Employee benefits expense

Employee benefits expense decreased by 17.0% or S\$0.53 million, from S\$3.12 million in 1H2023 to S\$2.59 million in 1H2024 mainly due to a decrease in headcount in 1H2024.

Depreciation expense

Depreciation expense increased by 30.9% or S\$0.17 million, from S\$0.56 million in 1H2023 to S\$0.74 million in 1H2024 mainly contributed by an increase in depreciation of right-of-use assets as a result of a new long-term tenancy agreement signed in the second half of FY2023.

Amortisation expense

Amortisation expense remained relatively stable at approximately S\$4,000 and approximately S\$2,000 in 1H2023 and 1H2024 respectively.

Other income

Other income decreased by 76.1% or S\$0.32 million, from S\$0.42 million in 1H2023 to S\$0.10 million in 1H2024 mainly due to (a) the absence of fair value adjustment of the Convertible Bonds arising from extension of maturity date of Convertible Bonds, fair value adjustment on contingent consideration for business combinations, and gain on modification of deferred consideration of S\$0.23 million, S\$0.02 million and S\$0.02 million respectively, (b) a decrease in grant income of S\$0.02 million, and (c) a decrease in interest income of S\$0.01 million.

Fair value loss on other investment at FVPL

The Group recorded a fair value loss on investment in ordinary shares in the capital of Biolidics Limited ("**Biolidics**") amounting to S\$0.23 million in 1H2023, which was due to the decrease in the market value of the Group's interest in Biolidics as at 30 June 2023. The Group's holdings in Biolidics were fully disposed off in FY2023.



Fair value gain/ (loss) on derivative financial instruments

Fair value changes on derivative financial instruments were mainly attributable to the fair value of the Convertible Bonds issued by the Company as well as the fair value of the call options on convertible preference shares issued by Clearbridge Medical Group Pte. Ltd. (“**CBMG Call Option**”).

The Group recorded a fair value gain on derivative financial instruments of S\$0.02 million in 1H2024, compared to a loss of approximately S\$1,000 in 1H2023.

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

Reversal of loss allowance on other receivable, net

The Group recorded a net reversal of loss allowance on other receivable amounting to S\$0.57 million in 1H2023 mainly arising from repayment of deferred consideration from Biolidics. No such item recorded in 1H2024.

Other operating expenses

Other operating expenses remained relatively stable at S\$1.45 million and S\$1.37 million in 1H2023 and 1H2024 respectively.

Finance costs

The Group’s finance costs comprised mainly interest expense incurred on bank loans, lease liabilities and the Convertible Bonds. Finance costs remained relatively stable at S\$0.39 million and S\$0.35 million in 1H2023 and 1H2024 respectively.

Income tax expense

Income tax expense increased by 61.8% or S\$0.02 million, from S\$0.03 million in 1H2023 to S\$0.05 million in 1H2024. The increase in income tax expense was mainly due to recognition of deferred tax expense.

Net loss for the period

As a result of the foregoing, the Group recorded a net loss of S\$2.89 million in 1H2024 as compared to a net loss of S\$1.67 million in 1H2023.

Excluding the abovementioned fair value losses on other investment at FVTPL, fair value gain/(loss) on derivative financial instruments and reversal of expected credit loss on other receivable, the loss before income tax recorded by the Group would have been S\$2.86 million in 1H2024 as compared to a loss before income tax of S\$1.99 million in 1H2023 as a result of the higher rate in the decrease in revenue as compared to the decrease in operating costs.



REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

The Group's non-current assets decreased by 4.3% or S\$0.66 million, from S\$15.41 million as at 31 December 2023 to S\$14.75 million as at 30 June 2024. This was mainly due to a decrease in plant and equipment and right-of-use assets by S\$0.08 million and S\$0.59 million respectively due to depreciation charges recorded by the Group during 1H2024.

Current assets

The Group's current assets decreased by 43.1% or S\$3.67 million, from S\$8.51 million as at 31 December 2023 to S\$4.84 million as at 30 June 2024. This was mainly due to (i) a decrease in cash and bank balances of S\$2.09 million which were mainly used for the Group's operations in 1H2024; (ii) a decrease in other receivables of S\$0.71 million; and (iii) disposal of other investments at FVOCI of S\$0.81 million.

Current liabilities

The Group's current liabilities decreased by 12.8% or S\$0.63 million, from S\$4.91 million as at 31 December 2023 to S\$4.28 million as at 30 June 2024. This was mainly due to (i) a decrease in borrowings of S\$0.17 million due to the repayment of bank loans; (ii) a decrease in lease liabilities of S\$0.15 million; (iii) a decrease in other payables of S\$0.07 million mainly due to payment of audit fees in 1H2024; and (iv) a decrease of S\$0.06 million in contract liabilities due to the fulfillment of the performance obligations in relation to the advances received from the Group's customers.

Non-current liabilities

The Group's non-current liabilities decreased by 9.6% or S\$0.55 million, from S\$5.73 million as at 31 December 2023 to S\$5.18 million as at 30 June 2024. This was mainly due to a decrease in borrowings and lease liabilities of S\$0.15 million and \$0.42 million respectively as a result of repayment of loans and lease liabilities.

Working capital position

The Group recorded a positive working capital position of S\$0.56 million as at 30 June 2024, as compared to S\$3.60 million as at 31 December 2023 due mainly to the decrease in current assets as explained above.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Cash outflow before changes in working capital for 1H2024 amounted to S\$1.72 million. Net cash used in working capital for 1H2024 amounted to S\$0.28 million mainly due to (i) an increase in prepayments of S\$0.38 million; (ii) a decrease in trade payables of S\$0.21 million; and (iii) a decrease in other payables of S\$0.13 million, which were partially offset by a decrease in trade receivables of S\$0.37 million and a decrease in inventories of S\$0.07 million.

As a result, net cash used in operating activities after adjusting for cash paid for income tax, interest expense and interest received, amounted to S\$2.15 million in 1H2024.

Net cash generated from investing activities for 1H2024 amounted to S\$1.07 million. This was mainly due to cash proceeds received from disposal of other investment at FVOCI of S\$1.16 million and this was partially offset by a capital expenditure of S\$0.09 million incurred by the medical clinics/centres in the Philippines, Singapore and Hong Kong.

Net cash used in financing activities for 1H2024 amounted to S\$1.00 million which was attributable to the repayment of bank loans and lease liabilities of S\$0.46 million and S\$0.54 million respectively.

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\$2.08 million, from S\$3.67 million as at 31 December 2023 to S\$1.59 million as at 30 June 2024.

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

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

8. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In 1H2024, the Group recorded a decrease in the Group's financial performance which was mainly a result of a decrease in revenue from the distribution of Labnovation's COVID-19 ART Test Kits in Philippines and a decrease in revenue from the medical clinics/centres in Singapore, Hong Kong and the Philippines for the provision of general medical, dental and clinical services and distribution of medical and pharmaceutical products.

In this regard, although the global outlook is showing signs of improvement with the moderating of inflation rates, the slow growth and tight consumer spending may continue to impact the consumption of the products and services the Group provides. Additionally, persistently high inflation may raise the cost of goods for the Group and negatively impact the profit margins. The Organisation for Economic Co-operation and Development reported on 2 May 2024¹ that it projects global growth to be 3.1% and 3.2% in 2024 and 2025 respectively, which is well below the average growth rate in decade preceding the COVID-19 pandemic. Further, they noted that inflation, while moderating, remains high and persistent and the negative impact it will have on growth prospects. In Singapore, the Monetary Authority of Singapore and the Ministry of Trade and Industry of Singapore have jointly reported similar issues, in a press release dated 24 June 2024². The press release also highlighted risks, such as potential geopolitical shocks and transportation disruptions. The Group continues to monitor this development and will adapt its strategies accordingly.

The Group is currently evaluating its options to preserve value for the Group and if need be, undertake certain corporate exercises to restructure its businesses and operations to achieve sustainability. The Group will also continue to explore suitable opportunities to expand its business regionally through organic expansion, investments, mergers and acquisitions, joint ventures and/or strategic collaborations.

¹ The report may be found at <https://www.oecd.org/en/about/news/press-releases/2024/05/economic-outlook-steady-global-growth-expected-for-2024-and-2025.html>.

² The press release may be found at <https://www.mti.gov.sg/Newsroom/Press-Releases/2024/06/Consumer-Price-Developments-in-May-2024>.

9. Dividend

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

No dividend has been declared or recommended for the current financial period reported on.

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) Date payable

Not applicable.

(e) Record date

Not applicable.

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

No dividend has been declared by the Company for 1H2024 as the Company was not profitable.

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

The Group does not have a general mandate for interested person transactions. There was no interested person transaction of S\$100,000 or more in 1H2024.

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

To the best of the knowledge of the board of directors of the Company (“**Board**”), nothing has come to the attention of the Board which may render the condensed interim financial statements for 1H2024 of the Group and the Company to be false or misleading in any material aspect.

13. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

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



14. Use of placement shares proceeds

Pursuant to the issuance of the placement shares further to the Company's placement shares announcement dated 19 August 2019 ("Placement Shares Announcement"), the Company received net proceeds of approximately S\$11.28 million (the "Placement Net Proceeds"). On 30 April 2024, the Company released an announcement in relation to the re-allocation of S\$2.70 million of the Placement Net Proceeds ("Re-Allocation") and update on the use of the Placement Net Proceeds ("Re-Allocation Announcement"). As at the date of this announcement, the Placement Net Proceeds have been utilised as follows:

	Amount After the Re-Allocation (as disclosed in the Re-Allocation Announcement) (S\$'000)	Amount utilised as at the date of the Re-Allocation Announcement (S\$'000)	Amount utilised from the date of the Re-Allocation Announcement up to the date of this announcement (S\$'000)	Balance (S\$'000)
Expansion of the Company's businesses through mergers and acquisitions, joint ventures, strategy collaborations and/or investment, or organically in Asia	5,198	(5,198)	-	-
General working capital purposes	6,078	(3,383)	(2,660) ⁽¹⁾	35
Total	11,276	(8,581)	(2,660)	35

Note:

⁽¹⁾ Breakdown of general working capital of the Group

(a) Payments for payroll-related expenses and directors' fees	S\$1.25 million
(b) Payments to suppliers	S\$0.85 million
(c) Payments for professional fees	S\$0.30 million
(d) Payments for rental	S\$0.13 million
(e) Others	S\$0.13 million
Total	<u>S\$2.66 million</u>

Save as disclosed in the Re-Allocation Announcement on the Re-Allocation, the use of the Placement Net Proceeds is in accordance with the intended use as set out in the Placement Shares Announcement.

ON BEHALF OF THE BOARD

Yee Pinh Jeremy
 Executive Director and Chief Executive Officer

Chen Johnson
 Non-Executive Non-Independent Chairman

Date
 14 August 2024