



Clearbridge Health Limited  
37 Jalan Pemimpin #08-05 Mapex Singapore 577177  
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## UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

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, 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.

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## UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

#### 1 (a)(i) An income statement and statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP		Increase/ (Decrease) %
	Q1 FY2018 S\$'000	Q1 FY2017 S\$'000	
Revenue	377	1	n.m.
Purchases	(158)	-	n.m.
Employee benefits expense	(1,159)	(751)	54.3
Depreciation expenses	(81)	(5)	1,520.0
Amortisation expenses	(5)	(2)	150.0
Research and development expenses	(19)	(95)	(80.0)
Other income	65	95	(31.6)
Fair value gain/(loss) on other investments	29	(22)	n.m.
Fair value gain on associates	8	1,152	(99.3)
Fair value gain on derivative financial instruments	758	438	73.1
Other operating expenses*	(1,411)	(268)	426.5
Finance costs	(78)	(60)	30.0
<b>(Loss)/profit before taxation</b>	<b>(1,674)</b>	<b>483</b>	n.m.
Income tax expense	(116)	(291)	(60.1)
<b>(Loss)/profit for the period</b>	<b>(1,790)</b>	<b>192</b>	n.m.
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign operations	31	74	(58.1)
<b>Total comprehensive income for the period</b>	<b>(1,759)</b>	<b>266</b>	n.m.
<b>Loss attributable to:</b>			
Owners of the Company	(1,489)	55	n.m.
Non-controlling interest	(301)	137	n.m.
	<b>(1,790)</b>	<b>192</b>	n.m.
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	(1,474)	110	n.m.
Non-controlling interest	(285)	156	n.m.
	<b>(1,759)</b>	<b>266</b>	n.m.

**Note:**

n.m. - not meaningful

\* In order to provide more clarity to readers, the Group has identified the following major expenses as recurring and non-recurring for Q1 FY2018

	Recurring S\$'000	Non- recurring S\$'000	Total S\$'000
Other operating expenses	991	420	1,411

The non-recurring other operating expenses were due mainly to one-off professional fees and miscellaneous expenses incurred pursuant to the business acquisition and collaborations, one-off consultancy fee and other administrative expenses for research and development activities which were streamlined since FY2017.

Excluding the abovementioned non-recurring expenses, the Groups' loss before taxation was S\$1.25 million in Q1 FY2018.



**1(a)(ii) Notes to consolidated statement of profit or loss and other comprehensive income.**

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

	<b>GROUP</b>		
	<b>Q1 FY18</b>	<b>Q1 FY17</b>	<b>Increase/ (Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Interest expense on call options	(60)	(60)	-
Interest expense on borrowings	(18)	-	n.m.
Depreciation expenses	(81)	(5)	n.m.
Amortisation expenses	(5)	(2)	150.0
Interest income	64	61	4.9
Foreign exchange loss	(186)	(32)	481.3
Professional fees	(448)	(61)	634.4
Rental	(138)	(52)	165.4

**Note:**

n.m. - not meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	GROUP		COMPANY	
	31/03/18 S\$'000	31/12/17 S\$'000	31/03/18 S\$'000	31/12/17 S\$'000
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	33,181	33,181
Investment in associates	15,060	15,052	-	-
Derivative financial instruments	6,665	5,907	-	-
Property, plant and equipment	5,285	2,597	19	6
Intangible assets	99	106	-	3
Goodwill on consolidation	11,221	11,002	-	-
Other investments	1,485	1,485	-	-
	<u>39,815</u>	<u>36,149</u>	<u>33,200</u>	<u>33,190</u>
<b>Current assets</b>				
Cash and bank balances	22,849	27,740	16,919	23,294
Trade receivables	208	71	-	-
Prepayments	388	282	112	101
Other receivables	877	942	242	487
Amount due from subsidiaries	-	-	21,189	15,420
Inventories	133	66	-	-
Other investments	3,572	3,543	-	-
	<u>28,027</u>	<u>32,644</u>	<u>38,462</u>	<u>39,302</u>
<b>Current liabilities</b>				
Borrowings	10	9	-	-
Trade payables	395	183	-	-
Other payables	5,013	5,540	267	1,185
Amount due to subsidiaries	-	-	2,846	2,396
	<u>5,418</u>	<u>5,732</u>	<u>3,113</u>	<u>3,581</u>
<b>Net current assets</b>	<u>22,609</u>	<u>26,912</u>	<u>35,349</u>	<u>35,721</u>
<b>Non-current liabilities</b>				
Borrowings	1,629	1,632	-	-
Deferred tax liabilities	1,901	1,786	-	-
Other payables	174	-	-	-
	<u>3,704</u>	<u>3,418</u>	<u>-</u>	<u>-</u>
<b>TOTAL NET ASSETS</b>	<u>58,720</u>	<u>59,643</u>	<u>68,549</u>	<u>68,911</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	73,897	73,897	73,897	73,897
Capital reserve	(2,179)	(2,179)	(6,716)	(6,716)
Share option reserve	165	165	-	-
Foreign currency translation reserve	(70)	(85)	-	-
(Accumulated losses)/retained earnings	(12,347)	(10,858)	1,368	1,730
	<u>59,466</u>	<u>60,940</u>	<u>68,549</u>	<u>68,911</u>
<b>Equity attributable to owners of the Company</b>	<u>59,466</u>	<u>60,940</u>	<u>68,549</u>	<u>68,911</u>
Non-controlling interest	(746)	(1,297)	-	-
<b>TOTAL EQUITY</b>	<u>58,720</u>	<u>59,643</u>	<u>68,549</u>	<u>68,911</u>



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**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

As at 31 March 2018		As at 31 December 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
10	-	9	-

**Amount repayable after one year**

As at 31 March 2018		As at 31 December 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,629	-	1,632	-

**Details of any collateral**

As at balance sheet date, the Group's borrowings are secured by the property at 37 Jalan Pemimpin, #04-13 Mapex, Singapore 577177 (the "**Mapex Property**").



**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>GROUP</b>	
	<b>Q1 FY2018</b>	<b>Q1 FY2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>		
(Loss)/profit before taxation	(1,674)	483
Adjustments for:		
Depreciation of property, plant and equipment	81	5
Amortisation of intangible assets	5	2
Intangible assets written off	-	48
Plant and equipment written off	-	5
Interest income	(64)	(61)
Interest expense	78	60
Fair value gain on derivative financial instruments	(758)	(438)
Fair value gain on associates	(8)	(1,152)
Fair value (gain)/loss on other investments	(29)	22
Unrealised foreign exchange (gain)/loss	(32)	55
<b>Operating cash flows before changes in working capital</b>	<b>(2,401)</b>	<b>(971)</b>
Increase in trade receivables	(77)	(9)
(Increase)/decrease in prepayments	(114)	1
(Increase)/decrease in other receivables	(241)	11
Increase in inventories	(67)	-
Increase/(decrease) in trade payables	118	(129)
Decrease in other payables	(1,034)	(330)
<b>Cash flows used in operations</b>	<b>(3,816)</b>	<b>(1,427)</b>
Income tax paid	(1)	-
Interest paid	(7)	-
<b>Net cash flows used in operating activities</b>	<b>(3,824)</b>	<b>(1,427)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(215)	-
Acquisition of a subsidiary	(905)	-
<b>Net cash flows used in investing activities</b>	<b>(1,120)</b>	<b>-</b>
<b>Financing activities</b>		
Disposal of subsidiaries	-	(109)
Repayment of loan and borrowings	(13)	-
Non-trade balances with a related party and subsequently waived	-	(1,451)
<b>Net cash used in financing activities</b>	<b>(13)</b>	<b>(1,560)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,957)</b>	<b>(2,987)</b>
Cash and cash equivalents at beginning of the period	27,740	4,308
Effects of foreign exchange rate changes, net	66	18
<b>Cash and cash equivalents at end of the period</b>	<b>22,849</b>	<b>1,339</b>



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.

(In S\$'000)

	Share capital	Capital reserve	Share option reserve	Fair value reserve	Currency translation reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interest	Total equity
<b>Group</b>									
<b>Balance as at 1 January 2018</b>	73,897	(2,179)	165	-	(85)	(10,858)	60,940	(1,297)	59,643
<b>Adoption of SFRS(I) 9</b>	-	-	-	735	-	(735)	-	-	-
<b>Balance as at 1 January 2018 (restated)</b>	73,897	(2,179)	165	735	(85)	(11,593)	60,940	(1,297)	59,643
<i>Total comprehensive income for the period</i>									
Loss for the period	-	-	-	-	-	(1,489)	(1,489)	(301)	(1,790)
Other comprehensive loss for the period	-	-	-	-	15	-	15	16	31
<b>Total comprehensive income for the year</b>	-	-	-	-	15	(1,489)	(1,474)	(285)	(1,759)
<i>Change in ownership interest in subsidiary</i>									
Acquisition of a subsidiary	-	-	-	-	-	-	-	836	836
<b>Balance as at 31 March 2018</b>	<b>73,897</b>	<b>(2,179)</b>	<b>165</b>	<b>735</b>	<b>(70)</b>	<b>(13,082)</b>	<b>59,466</b>	<b>(746)</b>	<b>58,720</b>



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(In S\$'000)

<u>Group</u>	Share Capital	Capital reserve	Share option reserve	Currency translation reserve	Retained earnings/ (accumulated losses)	Equity attributable to owners of the Company	Non-controlling interest	Total equity
<b>Balance as at 1 January 2017</b>	28,495	3,803	170	(232)	6,245	38,481	(852)	37,629
<i>Total comprehensive income for the period</i>								
Profit for the period	-	-	-	-	55	55	137	192
Other comprehensive income for the period	-	-	-	55	-	55	19	74
<b>Total comprehensive income for the period</b>	-	-	-	<b>55</b>	<b>55</b>	<b>110</b>	<b>156</b>	<b>266</b>
<i>Contributions and distributions to owners</i>								
Dividend during the period	-	-	-	-	(9,633)	(9,633)	-	(9,633)
Disposal of subsidiaries	-	(69)	-	-	-	(69)	(40)	(109)
Disposal of investments	-	(3,934)	-	-	-	(3,934)	-	(3,934)
Waiver of loans to a related party	-	(1,961)	-	-	-	(1,961)	-	(1,961)
<b>Balance as at 31 March 2017</b>	<b>28,495</b>	<b>(2,161)</b>	<b>170</b>	<b>(177)</b>	<b>(3,333)</b>	<b>22,994</b>	<b>(736)</b>	<b>22,258</b>





1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.

(In S\$'000)

	Share capital	Capital reserves	Retained earnings /(accumulated losses)	Total equity
<b>Company</b>				
<b>Balance as at 1 January 2018</b>	73,897	(6,716)	1,730	68,911
Loss for the period, representing total comprehensive loss for the period	-	-	(362)	(362)
<b>Balance as at 31 March 2018</b>	<b>73,897</b>	<b>(6,716)</b>	<b>1,368</b>	<b>68,549</b>
<b>Balance as at 1 January 2017</b>	28,495	-	8,618	37,113
Profit for the period, representing total comprehensive income for the period	-	-	4,075	4,075
<u>Contributions by and distributions to owners</u>				
Dividend during the period	-	-	(9,633)	(9,633)
Disposal of investments	-	(3,934)	-	(3,934)
Disposal of subsidiaries	-	(17)	-	(17)
Waiver of loans to a related party	-	(1,961)	-	(1,961)
Waiver of loans to subsidiaries	-	(804)	-	(804)
<b>Balance as at 31 March 2017</b>	<b>28,495</b>	<b>(6,716)</b>	<b>3,060</b>	<b>24,839</b>



**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There has been no change in the Company's share capital since the end of previous period reported on.

	Number of shares	Issued and paid-up share capital S\$
As at 31 March 2018 and 31 December 2017	481,000,000	73,896,519

As at 31 March 2017, there were 125,343 convertible preference shares ("CPS"), each convertible into one ordinary share, representing 96.0% of the total number of issued ordinary shares as at 31 March 2017. All of the CPS were converted into ordinary shares prior to the Company's initial public offering ("IPO") in FY2017. There were no outstanding convertibles as at 31 March 2018.

As at 31 March 2018 and 31 March 2017, there were no treasury shares held by the Company and there were no subsidiary holdings.

**1(d)(iii) 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.**

	31 March 2018	31 December 2017
Total number of issued ordinary shares excluding treasury shares ('000)	481,000	481,000

**1(d)(iv) 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 are no treasury shares held by the Company.

**1(d)(v) 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 are no subsidiary holdings.

**2 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.

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



Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Save as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as compared to those applied in the audited financial statements for the financial year ended 31 December 2017.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) that are relevant to the Group on 1 January 2018. The adoption of SFRS(I)s did not result in a restatement of prior period’s financial statement nor have any material impact to the financial statements for the current financial period except for the Group’s equity interest in unquoted equity shares that has been assessed as equity instruments. The Group has measured the instruments at fair value through other comprehensive income.

**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

(Loss)/earnings per share - based on weighted average number of shares

	Group	
	<u>Q1 FY2018</u> Basic / Diluted	<u>Q1 FY2017</u> Basic / Diluted
(Loss)/profit attributable to owners of the Company (S\$'000)	<u>(1,489)</u>	<u>55</u>
Weighted average number of ordinary shares ('000)	<u>481,000</u>	<u>225,101</u>
(Loss)/earnings per share (cents) - Basic and diluted	(0.31)	0.02

For Q1 FY2017, the number of shares held includes ordinary shares, convertible preference shares as all these shares have the equal rights to receive dividends. The loss or earnings per share have been computed based on the loss or earnings attributable to owners of the Company and the weighted average number of shares adjusted for the Share Split (as defined below).

As approved by shareholders of the Company in an extraordinary general meeting held on 20 November 2017, 446,680 shares in the capital of the Company was sub-divided into 393,000,000 shares (the “Share Split”). Accordingly, the number of outstanding shares is adjusted for the Share Split as if the event had occurred on 1 January 2017.



**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

**Net asset value per ordinary share**

	Group		Company	
	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
Net asset value per share (cents)	12.36	12.67	14.25	14.33
Net asset value (S\$'000)	59,466	60,940	68,549	68,911
Number of shares ('000)	481,000	481,000	481,000	481,000

**8 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 increased from S\$1,000 in Q1 FY2017 to S\$0.38 million in Q1 FY2018 mainly due to revenue of S\$0.11 million by the Group's medical clinics/centres in Singapore and Hong Kong, which only commenced operations in July 2017 and revenue of S\$0.14 million from provision of laboratory testing service as well as revenue of S\$0.13 million from Marzan Health Care Inc. ("**Marzan**") which was acquired in January 2018.

Comparing to the last quarter in FY2017, revenue increased by 97% or S\$0.19 million, mainly from the Group's medical clinics/centres in Singapore and Hong Kong.

Revenue in Q1 FY2017 was derived from the provision of management services to the Company's associates.

Purchases

Purchases increased from less than S\$1,000 in Q1 FY2017 to S\$0.16 million in Q1 FY2018, in line with the increase in revenue.

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

Employee benefits expense

Employee benefits expense increased by 54.3% or S\$0.41 million, from S\$0.75 million in Q1 FY2017 to S\$1.16 million in Q1 FY2018. This was attributable to the increase in number of employees and management personnel to support the business expansion.



#### Depreciation expenses

Depreciation expenses increased by 1,520% or S\$0.08 million from S\$5,000 in Q1 FY2017 to S\$0.08 million in Q1 FY2018 mainly due to the depreciation expense recorded by entities acquired by the Group post Q1 FY2017: Clearbridge Medical Group Pte. Ltd. and its subsidiaries (“**CBMG**”), SAM Laboratory Pte. Ltd. (“**Sam Lab**”) and Marzan.

Depreciation expenses attributable to the acquisitions of CBMG and Sam Lab amounted to S\$0.07 million and S\$0.01 million respectively.

#### Amortisation expenses

Amortisation expenses increased by 150% or S\$3,000, from S\$2,000 in Q1 FY2017 to S\$5,000 in Q1 FY2018. The increase in amortisation expenses was attributable to the intangible asset identified from the acquisition of Sam Lab in September 2017.

#### Research and development expenses

Research and development expenses decreased by 80.0% or S\$0.08 million, from S\$0.10 million in Q1 FY2017 to S\$0.02 million in Q1 FY2018.

The Group used to carry out research and development in relation to the fourier ptychographic microscope (FPM) technology, and also develop biomarkers and reagents complementary to the technology. In early 2017, having completed certain stages of development of biomarkers and reagents, the Group decided to focus solely on the FPM technology. The streamlining of the Group’s research and development activities resulted in a corresponding decrease in expenses in Q1 FY2018.

#### Fair value gain/(loss) on other investments

The Group recorded a fair value gain on other investments of S\$0.03 million in Q1 FY2018, as compared to a fair value loss of S\$0.02 million in Q1 FY2017.

The fair value loss recorded in Q1 FY2017 was mainly due to the a decrease in the fair value of investment in Invitrocue Ltd (a ASX-listed entity) which was disposed in FY2017 and partially offset by an increase in fair value of investment in convertible loans issued by Clearbridge Biomedics Pte. Ltd. (“**CBB**”).

The fair value gain on other investment in Q1 FY2018 was in relation to the increase in the fair value of convertible loans issued by CBB.

#### Fair value gain on associates

In accordance with the SFRS(I)s, the Group measured its interests in its associated companies at fair value through profit or loss, with changes in fair value of the Group’s interests in the associated companies being recorded in the statements of comprehensive income.

The fair value gain on associates decreased by 99.3% or S\$1.14 million, from S\$1.15 million in Q1 FY2017 to S\$8,000 in Q1 FY2018. This was primarily due to changes in the fair value of an associated company, CBB, which was arrived at based on the indicative price derived from convertible loans issued to unrelated third parties in late 2017.

#### Fair value gain on derivative financial instruments

Fair value loss on derivative financial instruments was mainly in relation to changes in the fair value of call options granted by SPRING SEEDS Capital Pte. Ltd. (“**Spring Seeds Capital**”) to the Group to acquire Spring Seeds Capital’s interests in the Group’s associated companies, CBB (the “**CBB Call Options**”) and investment in Singapore Institute of Advanced Medicine Holdings Pte. Ltd. The fair value gain on derivative financial instruments increased by 73.1% or S\$0.32 million, from S\$0.44 million in Q1 FY2017 to S\$0.76 million in Q1 FY2018 mainly due to increase in the fair value



of the CBB Call Options. Fair value of the call options was arrived at based on an option pricing model which took into account, among others, the fair value of CBB and volatilities in the valuation of comparable companies. The increase in fair value was primarily due to increase in the volatilities of the valuation of comparable companies.

#### Other operating expenses

Other operating expenses increased by 426.5% or S\$1.14 million, from S\$0.27 million in Q1 FY2017 to S\$1.41 million in Q1 FY2018.

The increase was mainly due to professional fees and other miscellaneous expenses of S\$0.17 million incurred pursuant to the business acquisitions and collaborations entered in Q1 FY2018 as well as other expenses attributable to the business expansion such as legal and professional fees of S\$0.10 million, business travel expense of S\$0.25 million, rental expense for offices and medical clinics/centres in Hong Kong, Singapore of S\$0.10 million and other operating expenses arising from entities acquired in late 2017, namely, CBMG and Sam Lab.

To provide better clarity to the readers, the Group has identified the following other operating expenses incurred in Q1 FY2018 as non-recurring expenses:

- i) professional fees and other miscellaneous expenses incurred pursuant to the business acquisition and collaborations entered in Q1 FY2018 of S\$0.17 million; and
- ii) consultancy fee and other administrative expenses of S\$0.25 million incurred for research and development activities which were streamlined.

#### Finance costs

Finance costs mainly pertain to interest accrued on the call options granted by Spring Seeds Capital to the Group in respect of Spring Seeds Capital's investments in Clearbridge Biophotonics Pte. Ltd. ("CBBP") (the "CBBP Call Options") and interest accrued on borrowings.

Finance costs increased by 30.0% or S\$0.02 million, from S\$0.06 million in Q1 FY2017 to S\$0.08 million in Q1 FY2018, mainly due to the interest accrued for the bank loan secured for the acquisition of the Mapex Property.

#### Income tax expense

Income tax expense arose from deferred tax expense in relation to fair value gains on other investments, associates and derivative financial instruments recognised by the Group.

Income tax expense decreased by 60.1% or S\$0.17 million, from S\$0.29 million in Q1 FY2017 to S\$0.12 million in Q1 FY2018. This was primarily due to a decrease in deferred tax expense recognised in Q1 FY2018 as a result of a decrease in fair value gain on associates in Q1 FY2018.

#### Loss for the year

As a result of the foregoing, the Group recorded loss for Q1 FY2018 of S\$1.79 million as compared to profit of S\$0.19 million in Q1 FY2017.

Excluding the abovementioned non-recurring expense segregated in other operating expenses, the loss before taxation was S\$1.25 million.



## **REVIEW OF THE GROUP'S FINANCIAL POSITION**

### **Non-current assets**

The Group's non-current assets increased by 10.1% or S\$3.67 million, from S\$36.15 million as at 31 December 2017 to S\$39.82 million as at 31 March 2018. This was mainly due to an increase in goodwill on consolidation, and property, plant and equipment which arose from the acquisition of Marzan in January 2018.

Derivative financial instruments increased by 12.8% or S\$0.76 million, from S\$5.91 million as at 31 December 2017 to S\$6.67 million as at 31 March 2018, mainly due to the fair value gain recorded in Q1 FY2018.

### **Current assets**

The Group's current assets decreased by 14.1% or S\$4.61 million, from S\$32.64 million as at 31 December 2017 to S\$28.03 million as at 31 March 2018. This was mainly due to a decrease in cash and bank balances of S\$4.89 million as a result of payment of professional fees in relation to the IPO, operating expenditure incurred and consideration paid for the acquisition of Marzan. The decrease in cash and bank balances was partially offset by an increase in trade receivables, prepayments and inventories as a result of the acquisition of Marzan.

### **Current liabilities**

The Group's current liabilities decreased by 5.5% or S\$0.31 million, from S\$5.73 million as at 31 December 2017 to S\$5.42 million as at 31 March 2018.

The decrease was mainly due to payment of accrued professional fees and expenses incurred in relation to the IPO. It was partially offset by the increase in trade payables that was in line with the increase in purchases and accrued interest expense on the CBBP Call Options.

For the purpose of preparing the Group's consolidated financial statements, the Group's ownership interest in CBBP includes the interest held by Spring Seeds Capital (as though the CBBP Call Options were exercised). The Group also recognised a payable to Spring Seeds Capital being the exercise price of the call options, which is equivalent to the investment cost plus a return at a rate of 8% annual cumulative non-compounding simple interest. The interest expense on the CBBP Call Options is accrued for and recognised as part of finance cost.

### **Non-current liabilities**

The Group's non-current liabilities increased by 8.4% or S\$0.29 million, from S\$3.42 million as at 31 December 2017 to S\$3.70 million as at 31 March 2018.

The increase was mainly due to an increase in deferred tax liabilities recognised in Q1 FY2018 for the fair value gain on derivative financial instruments and recognition of contingent consideration payable for acquisition of Marzan as disclosed in the Company's announcement dated on 4 January 2018.

## **REVIEW OF THE GROUP'S CASH FLOW STATEMENT**

The net cash flows used in operating activities for Q1 FY2018 amounted to S\$3.82 million. Cash outflow before changes in working capital amounted to S\$2.40 million. Net cash used in working capital for Q1 FY2018 amounted to S\$1.42 million mainly due to decrease in other payables of S\$1.03 million, increase in trade and other receivables of S\$0.32 million, increase in prepayments of S\$0.11 million, increase in inventories of S\$0.07 million and partially offset by increase in trade payables of S\$0.12 million from 31 December 2017.



Net cash used in investing activities for Q1 FY2018 amounted to S\$1.12 million. This was mainly due to the consideration paid for the acquisition of Marzan of S\$0.91 million and capital expenditure incurred for renovation of the Mapex Property of S\$0.22 million.

Net cash used in financing activities for Q1 FY2018 amounted to S\$0.01 million which was due to the repayment of 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\$4.89 million, from S\$27.74 million as at 31 December 2017 to S\$22.85 million as at 31 March 2018.

**9 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.

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

The Group believes that the outlook of the laboratory testing services and medical clinics/centres businesses is expected to remain positive as growth in populations, coupled with an increase in life expectancy, is likely to lead to an ageing population which will drive demand for more and better healthcare services. These are focus areas for precision medicine and are likely to lead to an increase in demand for laboratory testing services as well as the Group's business in the ownership and operation of medical clinics/centres.

As announced on 2 April 2018 and 23 April 2018, the Group completed the acquisitions of Medic Laser Private Limited and Medic Surgical Private Limited in Singapore and PT Tirta Medika Jaya in Indonesia respectively.

In addition, on 25 April 2018, the Group announced its partnership with A\*STAR's Genome Institute of Singapore to offer the Prosigna Breast Cancer Prognostic Gene Signature Assay.

On 27 April 2018, the Group announced its continued collaboration with the Olivia Newton-John Cancer Research Institute for Epidermal Growth Factor Receptor gene (EGFR) mutation analysis testing services on plasma DNA from patient blood specimens.

The Group expects the recent acquisitions to have a positive impact on the Group's revenue and earnings before interest, tax, depreciation and amortization for the current financial year.

The Group continues to explore suitable opportunities to expand its business regionally through investments, mergers and acquisition, joint ventures and/or strategic collaborations.

The Group will also continue to enhance its internal capabilities and processes to achieve greater efficiencies and returns.

**11 Dividend**

**(a) Current Financial Period Reported On**

Nil

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Nil





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Dividends declared prior to the IPO

Pursuant to a restructuring exercise undertaken in connection with the IPO (the “**Restructuring Exercise**”), the Company had declared an interim tax-exempt one-tier dividend of S\$9,633,283 in March 2017, arising from the disposal of its investment in Treebox Solutions Pte. Ltd. to Inbridge Ventures Pte. Ltd. The dividend was satisfied via the assignment of the consideration receivable by the Company from Inbridge Ventures Pte. Ltd. for the abovementioned disposal, to the then shareholders of the Company. Please refer to the Company’s offer document dated 11 December 2017 for further details.

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

Not applicable.

- (d) **Date payable**

Not applicable.

- (e) **Books closure date**

Not applicable.

- 12 If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared for Q1 FY2018.

- 13 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 Q1 FY2018.

- 14 Use of IPO proceeds**

Pursuant to the IPO, the Company received net proceeds from the IPO of approximately S\$22.00 million (the “**Net Proceeds**”). As at the date of this announcement, 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 announcement (S\$'000)	Balance (S\$'000)
Expansion of medical clinics/centres business organically or through, <i>inter alia</i> , investments, mergers and acquisitions, joint ventures and/or strategic collaborations	11,000	(523)	10,477
Expansion of laboratory testing services business organically or through, <i>inter alia</i> , investments, mergers and acquisitions, joint ventures and/or strategic collaborations	3,000	(267)	2,733
Working capital and general corporate purposes <sup>(1)</sup>	8,000	(4,008)	3,992
<b>Total</b>	<b>22,000</b>	<b>(4,798)</b>	<b>17,202</b>

**Note:**

(1) Comprises operating expenses.

**15 Negative confirmation by the Board pursuant to Rule 705(5)**

To the best knowledge of the board of directors of the Company (“**Board**”), nothing has come to the attention of the Board which may render the financial results for Q1 FY2018 of the Group and the Company to be false or misleading in any material aspect.

**16 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 Catalist Rules.



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**ON BEHALF OF THE BOARD**

Yee Pinh Jeremy  
Executive Director and Chief Executive Officer

Chen Johnson  
Non Executive Non Independent Chairman

15 May 2018